



Yu Tak International Holdings Limited
御德國際控股有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)
Stock Code 股份代號：8048

**ANNUAL
REPORT**
2017 年報

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. CHONG Yu Ping
Ms. LI Xia
Mr. CHEN Yin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Tin Faat
Ms. LU Haina
Ms. NA Xin

COMPLIANCE OFFICER

Mr. ZHAO Zhipeng

COMPANY SECRETARY

Mr. ZHAO Zhipeng

AUTHORISED REPRESENTATIVES

Ms. LI Xia
Mr. ZHAO Zhipeng

BERMUDA RESIDENT REPRESENTATIVES

Codan Services Limited

AUDIT COMMITTEE

Mr. LAM Tin Faat (*Chairman*)
Ms. LU Haina
Ms. NA Xin

REMUNERATION COMMITTEE

Mr. LAM Tin Faat (*Chairman*)
Ms. LI Xia
Ms. NA Xin

NOMINATION COMMITTEE

Mr. LAM Tin Faat (*Chairman*)
Ms. LI Xia
Ms. NA Xin

執行董事

莊儒平先生
李霞女士
陳寅先生

獨立非執行董事

林天發先生
陸海娜女士
那昕女士

監察主任

趙志鵬先生

公司秘書

趙志鵬先生

法定代表

李霞女士
趙志鵬先生

駐百慕達代表

Codan Services Limited

審計委員會

林天發先生(*主席*)
陸海娜女士
那昕女士

薪酬委員會

林天發先生(*主席*)
李霞女士
那昕女士

提名委員會

林天發先生(*主席*)
李霞女士
那昕女士

CORPORATE INFORMATION

公司資料

AUDITOR

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai, Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
The Bank of East Asia, Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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主要往來銀行

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FINANCIAL SUMMARY

財務概要

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
Revenue	收入	579,380	499,375	174,741	104,367	110,174
Loss before income tax	扣除所得稅前虧損	(14,723)	(26,611)	(32,991)	(45,865)	(10,500)
Income tax expense	所得稅開支	(1,447)	(559)	(1,566)	(390)	(371)
Loss for the year	年內虧損	(16,170)	(27,170)	(34,557)	(46,255)	(10,871)
ASSETS AND LIABILITIES	資產與負債					
Total assets	資產總額	358,012	274,874	196,023	149,790	112,445
Total liabilities	負債總額	(165,745)	(111,082)	(71,966)	(74,339)	(45,906)
Total equity	股權總額	192,267	163,792	124,057	75,451	66,539

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders:

On behalf of the Board of Directors (the "Board") of Yu Tak International Holdings Limited (the "Company"), it is my pleasure to present the 2017 Annual Report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017.

The Group continued to rationalise its IT products and services businesses. In early 2017, following the disposal of a sustained loss-making operation in China, the operating results of the Group for 2017 had been improved substantially although an annual loss remained reported due to losses in the Jewellery Products segment.

Although revenue from sales of gold and jewellery products of the Group remained dampened by the uncertainties of the impacts of global economic and political measures on China economy, a long-awaited recovery of the gold and jewellery market in China was observed when an annual growth of 3% was reported in 2017 that it was the first annual growth since 2013. It was noticeable that the demand for lower-weight and better designed gold jewellery products, rather than traditional 24 karat gold products, was picking up momentum in the market.

In the past year, the Group focused in development of new products tapping in the market trend and effective franchisee management. With a clear market trend, a bold recovery of the gold and jewellery market and expecting stable growth of China economy in 2018 onwards, the Management believed that decisive investments for enlarging of the Group's share in the market became justifying. The management was formulating the business plans for extending the Group's franchise network, new product developments according to the market trend as well as the establishment of on-line shops where feasible.

To support the expansion plans of the business segment, the Group is in the progress of raising approximately HK\$56.9 million by rights issue. The Group will make effective use of the funds subject to the plans and progress to expand its gold and jewellery businesses while improving its profitability and enhancing the returns to our shareholders.

各位股東：

本人謹代表御德國際控股有限公司(「本公司」)董事會(「董事會」)，欣然呈報本公司及其附屬公司(以下統稱「本集團」)截至二零一七年十二月三十一日止年度的二零一七年年報。

本集團繼續梳理其資訊科技產品及服務業務。於二零一七年年初，自出售持續虧損的中國業務後，本集團二零一七年經營業績已大有改善，但由於珠寶業務出現虧損，年內仍呈現虧損狀態。

全球經濟及政策措施對中國經濟的影響不明，令本集團黃金珠寶產品銷售收入繼續受壓。可喜的是，中國黃金珠寶市場二零一七年取得3%年度增幅，是自二零一三年以來首次錄得年度增長，終於迎來期待已久的市場復甦。相比傳統足金產品，輕盈且設計精美的黃金珠寶產品的市場需求明顯上升。

過去一年，本集團致力開發符合市場趨勢的新產品，並對特許加盟商實行有效管理。展望二零一八年，鑒於市場走勢明晰、黃金珠寶市場明顯好轉，加上預期中國經濟穩定增長，管理層相信投資擴展集團市場份額將屬明智之舉。管理層制定業務計劃，拓展本集團加盟分銷網絡，緊貼市場潮流開發新產品，並視乎可行性開設線上商店。

為支持業務分部拓展計劃，本集團正透過供股籌集約5,690萬港元。本集團將按照黃金珠寶業務拓展計劃及進展，高效運用該等資金，提升企業盈利及提高股東回報。

CHAIRMAN'S STATEMENT

主席報告

APPRECIATION

On behalf of all Board members, I would like to take this opportunity to express my gratitude to the Shareholders and business partners of the Group for their continued supports and trust during the past years, and my most sincere appreciation to the Directors, management and staff at all levels for their dedication, hard works and contributions to the Group.

Chong Yu Ping
Chairman

Hong Kong
19 March 2018

鳴謝

本人謹藉此機會代表全體董事會成員，對股東及本集團業務夥伴過往的恒久支持及信任致以感謝，並對董事、管理人員及各級員工專心致志、勤勉工作及為本集團作出的貢獻，致以最真誠的謝意。

莊儒平
主席

香港
二零一八年三月十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL PERFORMANCE

For the year ended 31 December 2017, the Group's loss attributable to the owners of the Company amounted to HK\$10,387,000 (2016: HK\$42,763,000).

The Group's revenue for the year ended 31 December 2017 amounted to HK\$110,174,000 (2016: HK\$104,367,000).

The sales of gold and jewellery products and franchise income contributed to HK\$20,997,000 of the Group's revenue during the year (2016: HK\$19,472,000). The sales of enterprise software products dropped by 32% to HK\$26,948,000 (2016: HK\$39,799,000). Revenue on systems integration business increased by 98% to HK\$12,631,000 (2016: HK\$6,386,000) while revenue on professional services business increased by 28% to HK\$49,598,000 (2016: HK\$38,710,000).

OPERATION REVIEW

The Group continued to streamline its businesses in 2017. A sustained loss-making operation of the IT business segment in China was disposed in early 2017. The operating results of the Group had been improved substantially although an annual loss remained reported in 2017.

According to the figures published by The National Bureau of Statistics of China, the GDP for 2017 full year picked up to 6.9 percent year-on-year that it was the first annual acceleration for the economy since 2010. The annual growth beat the government's target of around 6.5 percent for 2017 and quickened from 6.7 percent in 2016, the weakest pace in 26 years.

The gold and jewellery market in China had shown an annual growth of 3% in 2017 that it was the first yearly increase since 2013. The trend of demand for lower-weight, better designed, higher-margin 'premium' gold jewellery products continued to pick up momentum. Although 24-karat gold still dominated the market, its market share was fast losing, notably in the first- and second-tier cities. It was observed that retailers were shifting their products to incorporate more 18-karat, 22-karat and 3D hard products. The sales and marketing efforts of the Group aligned with the move of the retailer.

財務表現

截至二零一七年十二月三十一日止年度，本公司擁有人應佔本集團之虧損為10,387,000港元(二零一六年：42,763,000港元)。

本集團截至二零一七年十二月三十一日止年度的收入為110,174,000港元(二零一六年：104,367,000港元)。

本年內，本集團收入中黃金及珠寶產品銷售及特許加盟費收入為20,997,000港元(二零一六年：19,472,000港元)。企業軟件產品的銷售額下跌32%至26,948,000港元(二零一六年：39,799,000港元)。系統集成業務收入增加98%至12,631,000港元(二零一六年：6,386,000港元)，而專業服務業務收入則增加28%至49,598,000港元(二零一六年：38,710,000港元)。

業務回顧

二零一七年，本集團繼續精簡其業務，並於二零一七年年初出售資訊科技板塊中虧損嚴重的中國業務。儘管二零一七年度仍錄得虧損，本集團經營業績已大有改善。

根據中國國家統計局公佈的數據，二零一七年全年GDP同比增幅為6.9%，乃自二零一零年以來經濟首次實現增速。年度增幅遠超政府二零一七年6.5%左右的增長目標，並高於二零一六年的6.7%增幅(為二十六年來最低增速)。

中國黃金珠寶市場在二零一七年年增幅為3%，是自二零一三年以來首次錄得年度增長。輕盈、設計精美、利潤較高的「優質」黃金珠寶產品的市場需求持續走高。足金雖仍為市場主導產品，但其市場份額正快速流失，在一二線城市尤為凸顯。零售商調整產品策略，增加18K金、22K金及3D硬金產品。本集團的銷售及市場推廣策略與零售商的動向不謀而合。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In 2017, the Group had not made fresh investments in its sales of gold and jewellery businesses. Sales in the business segment was improved through efforts in development of new products tapping in the market trend and effective franchisee management. With a clear market trend, a bold recovery of the gold and jewellery market and expecting stable growth of China economy in 2018 onwards, the Management believed that decisive investments for enlarging of the Group's share in the market became justifying.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group remained in a strong financial position with cash and bank balances of HK\$25,675,000 (2016: HK\$24,507,000).

The Group monitored its capital structure using the gearing ratio which is net debt divided by total equity. For this purpose, the Group defined net debt as debt, which comprises long-term and short-term borrowings, less cash and cash equivalents. Total equity comprised equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratio is not presented, as the net debt was zero. (2016: zero).

CAPITAL STRUCTURE

As at 31 December 2017, the Group's issued shares were 1,188,460,000 shares (2016: 1,188,460,000 shares). As disclosed in the Company's circular dated 19 January 2018, the Group proposed to issue 594,230,000 rights shares ("Rights Share(s)") at the subscription price of HK\$0.10 per share on the basis of one Rights Share for every two existing shares held as at the close of business on 27 February 2018 and the rights issue is expected to be completed on 28 March 2018. As a result of the rights issue, the Group's issued shares is expected to increase to 1,782,690,000 shares upon completion of the rights issue.

於二零一七年度，本集團並無在黃金珠寶業務銷售方面增加資金投入，而是藉開發符合市場時尚的新產品，並對特許加盟商實行有效管理，提升業務銷售表現。展望二零一八年，鑒於市場走勢明晰、黃金珠寶市場明顯好轉，加上預期中國經濟穩定增長，管理層相信投資擴張集團市場份額將是明智的決策。

流動資金及財務資源

本集團之財務狀況維持穩健，於二零一七年十二月三十一日持有現金及銀行存款25,675,000港元（二零一六年：24,507,000港元）。

本集團按淨負債除以股權總額計算負債比率，以此監控其資本結構。本集團將淨負債定義為負債（包含長期與短期借貸）扣除現金及現金等價物。股權總額由綜合財務狀況表中所列示之本公司擁有人應佔股權及非控股權益組成。由於淨負債為零（二零一六年：零），並無呈列負債比率。

資本結構

於二零一七年十二月三十一日，本集團已發行股份為1,188,460,000股（二零一六年：1,188,460,000股）。誠如本公司日期為二零一八年一月十九日的通函所披露，本集團建議按於二零一八年二月二十七日營業時間結束時每持有兩股現有股份獲發一股供股股份（「供股股份」）之基準，以每股0.10港元之認購價發行594,230,000股供股股份，且供股預計將於二零一八年三月二十八日完成。由於進行供股，預期於供股完成後本集團之已發行股份將增至1,782,690,000股。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INVESTMENT, MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

Save as disclosed in this annual report, the Group did not have any other investment and material acquisition and disposal of subsidiaries during the year ended 31 December 2017.

CONTINGENT LIABILITIES

As at 31 December 2017 and 2016, the Group did not have any material contingent liabilities.

SEGMENTAL PERFORMANCE

For the year ended 31 December 2017, the turnover of the Jewellery Product segment and the IT Products and Services segments amounted to HK\$20,997,000 (2016: HK\$19,472,000) and HK\$89,177,000 (2016: HK\$84,895,000) respectively.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the number of employees of the Group was 301 (2016: 427). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions.

FUTURE PROSPECTS

The Group plans to further develop its jewellery business through tight co-operations with franchisees. Despite concerns over uncertainty of the impacts of long-expected inflation, interest rates raise and restrictive trade policies of some advanced countries on the global economic growth, it is believed that Chinese economy will maintain its GDP growth momentum in the forthcoming years by buoyant domestic consumption and rapid progress in high-tech manufacturing facilities.

投資、重大收購或出售附屬公司

除本年報所披露者外，本集團於截至二零一七年十二月三十一日止年度概無任何其他投資且並無進行附屬公司的重大收購及出售。

或然負債

於二零一七年及二零一六年十二月三十一日，本集團並無任何重大或然負債。

分部表現

截至二零一七年十二月三十一日止年度，珠寶產品業務分部以及資訊科技產品及服務業務分部之營業額分別為20,997,000港元(二零一六年：19,472,000港元)及89,177,000港元(二零一六年：84,895,000港元)。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團僱員人數為301人(二零一六年：427人)。有關薪酬乃經參考市場水平以及個別僱員之表現、資歷及經驗後釐定。本集團將按個人表現向員工發放年終花紅，作為彼等貢獻之嘉許及獎勵。

未來展望

本集團擬與特許加盟商緊密合作，進一步拓展其珠寶業務。儘管一些成熟國家出現期待已久的通脹回升並實施加息及限制性貿易政策，導致市場擔憂會否對全球經濟增長造成衝擊，然有見國內消費暢旺，高科技生產設施日新月異，相信未來數年中國經濟可望保持GDP增長勢頭。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group believes that gold and jewellery consumption market of China still has promising potential for growth. Those factors including economic growth, progress in upscale consumption, increasing demand from sales stemming on gifts for marriages and births and the trend for buying gold as a hedge against inflation support expansion of the market. With successful experiences in building a strong distribution network of franchisees, the Group plans to further enlarge its domestic market share by extending the existing franchise businesses, development of innovative and exclusive signature products, launching new product series and also investing in its online sales businesses that younger consumers in more than 300 cities throughout China are targeted.

To support the expansion plans of the business segment, the Group is in the progress of raising approximately HK\$56.9 million by way of rights issue as at the date of this report. The Group will make effective use of the funds subject to the plans and progress to expand its gold and jewellery businesses while improving its profitability and enhancing the interest of our Shareholders.

本集團相信，中國黃金珠寶消費市場增長前景依然向好。有見經濟增長、高端消費增加、婚生禮物銷售推動需求上漲，加上購買黃金對沖通脹之風盛行，種種因素有助帶動市場擴張。憑藉成功打造廣泛加盟分銷網絡的經驗，本集團計劃拓展現有特許加盟業務、開發創新獨特產品、推出新產品系列，同時投資其面向全國300多個城市年輕消費者的線上銷售業務，進一步擴大國內市場覆蓋率。

為支持業務拓展計劃，於本報告日期，本集團正通過供股方式籌集約5,690萬港元。本集團將按照黃金珠寶業務拓展計劃及進展，高效運用資金，提升企業盈利及提高股東價值。

CORPORATE GOVERNANCE REPORT

企業管治報告

(1) CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Company and for safeguarding the shareholders' interests and the Company's assets.

The Company's code of corporate governance practices was adopted with reference to the code provisions of the Corporate Governance Code (the "Code Provisions") contained in Appendix 15 of the GEM Listing Rules to ensure that the Group's business activities and decision-making processes are regulated in a proven and prudent manner. The Company has complied with the Corporate Governance Code set out in the Appendix 15 of the GEM Listing Rules during the year ended 31 December 2017 except where otherwise stated.

(2) BOARD OF DIRECTORS

The Board is responsible for overseeing the strategic directions, management, business and financial performance of the Group.

The Board has delegated the day-to-day operational responsibilities of the Group's business to the executive management team under the leadership of Chairman and Chief Executive Officer and various Board committees.

Board Composition

The Board currently comprises the following members:

Executive Directors:

Mr. CHONG Yu Ping
Ms. LI Xia
Mr. CHEN Yin

Independent Non-executive Directors:

Mr. LAM Tin Faat
Ms. LU Haina
Ms. NA Xin

(1) 企業管治常規

本公司致力設立良好之企業管治常規及程序。董事相信，可靠而合理之企業管治常規對本公司增長以及保障股東利益及本公司資產極為重要。

本公司採納之企業管治常規守則，乃參考GEM上市規則附錄十五所載之企業管治守則之守則條文（「守則條文」）而釐定，以確保本集團業務活動及決策過程按照適當及審慎方式規範。除文中另有說明外，於截至二零一七年十二月三十一日止年度，本公司遵守GEM上市規則附錄十五所載之企業管治守則。

(2) 董事會

董事會負責督導本集團之策略方向、管理、業務及財務表現。

董事會已透過主席與行政總裁及各董事委員會之領導將本集團業務之日常營運責任交予執行管理團隊。

董事會成員

董事會目前由以下成員組成：

執行董事：

莊儒平先生
李霞女士
陳寅先生

獨立非執行董事：

林天發先生
陸海娜女士
那昕女士

CORPORATE GOVERNANCE REPORT

企業管治報告

(2) BOARD OF DIRECTORS (Continued)

Board Meeting

The Board meets at least four times a year to review financial and operating performance and discuss the Group's direction and strategy. Details of the attendance of the Board of Directors are as follows:

		17 Mar 2017	5 May 2017	8 Aug 2017	7 Sep 2017	8 Nov 2017	20 Dec 2017
		二零一七年	二零一七年	二零一七年	二零一七年	二零一七年	二零一七年
		三月十七日	五月五日	八月八日	九月七日	十一月八日	十二月二十日
Mr. CHONG Yu Ping	莊儒平先生	✓	✓	✓	✓	✓	✓
Ms. LI Xia	李霞女士	✓	✓	✓	✓	✓	✓
Mr. CHEN Yin	陳寅先生	✓	✓	✓	✓	✓	✓
Mr. LAM Tin Faat	林天發先生	✓	✓	✓	✓	✓	✓
Ms. LU Haina	陸海娜女士	✓	✓	✓	✓	✓	✓
Ms. NA Xin	那昕女士	✓	✓	✓	✓	✓	✓

Directors are given notice of regular Board meetings of at least 14 days in advance. The Directors will receive details of agenda with comprehensive reports on the management's strategic plans, updates by business unit heads on their lines of business, financial objectives, plans and actions at least 3 days before a Board meeting.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and advises the Board on corporate governance and compliance matters.

The executive Directors meet every two weeks to review company business pipeline, receivables, and business unit performance. Senior management of the Company (the "Senior Management") meets with Business Unit Management every week to review project status, and business unit issues.

The Company has undertaken several meetings, first with Senior Management, second with the audit committee, and subsequently with the Board, to discuss and review the Group's practice on corporate governance and make specific checks on the Group's compliance via a compliance matrix in accordance to the criteria set forth by the GEM Listing Rule.

The Company Secretary has assisted the chairman of the Board in preparing the agenda for each meeting and the minutes of such meetings are kept by the Company's company secretary or other duly authorised person. All minutes are open for inspection by any Director on reasonable notice. Draft(s) and final version of the minutes are sent to Directors for comment and records, respectively.

(2) 董事會(續)

董事會會議

董事會每年最少舉行四次會議，以檢討財務及營運表現，並且商討本集團之方向及策略。董事會出席會議之詳情如下：

董事於定期董事會會議舉行前最少14天獲得通知，董事將於董事會會議舉行前最少3天收到會議議程，以及有關管理層策略性計劃之周詳報告、業務單位主管就彼等之業務提供之更新資料、財務目標、計劃及行動。

全體董事均可獲得公司秘書協助，公司秘書負責確保董事會之程序符合企業管治及監察事宜，並就此向董事會提供意見。

執行董事每兩星期舉行一次會議，以檢視公司洽談中的銷售機會、應收款項及業務單位表現。本公司高級管理層(「高級管理層」)每星期與業務單位主管舉行一次會議，以檢視項目進度及業務單位事項。

本公司之高級管理層、審計委員會及董事會已先後舉行會議，以商討及檢視本集團之企業管治實務，以及透過根據GEM上市規則所載標準為監察基礎，就本集團之合規表現作出特定檢視。

公司秘書協助董事會主席編製各會議議程。有關會議的會議記錄書由本公司公司秘書或獲正式授權的其他人士存置。所有會議記錄在合理通知下可供任何董事查閱。會議記錄的初稿及最終定稿應先後發送至所有董事，以供彼等作出意見及保存。

CORPORATE GOVERNANCE REPORT

企業管治報告

(2) BOARD OF DIRECTORS *(Continued)*

Independence of Directors

All the Directors do not have any financial, business, family or other material/relevant relationship with each other.

The Company confirmed that annual confirmations of independence were received from each of the Company's independent Non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all independent non-executive directors are considered to be independent.

Directors' Training

Directors must keep abreast of their collective responsibilities. Every new appointed Director should receive induction and subsequent briefing and professional development.

Pursuant to Code A.6.5 of the Code Provisions (which is effective from 1 April 2012), Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the period, all Directors have participated in appropriate continuous professional development activities by way of reading materials relevant to the Company's business or to the Directors' duties and responsibilities, including but not limited to the changes in respect of the new Hong Kong Companies Ordinance (Cap.622) and latest developments in connected transactions under the GEM Listing Rules.

Mr. Lam Tin Faat, as the chairman of the Audit Committee, Remuneration Committee and Nomination Committee also attended a number of seminars/courses in relation to continuous professional developments organized by The Hong Kong Institute of Certified Public Accountants during the year in 2017.

(2) 董事會 *(續)*

董事獨立性

全體董事彼此之間並無任何財務、業務、家族或其他實質／相關聯繫。

本公司確認，已遵照GEM上市規則第5.09條，接獲本公司各獨立非執行董事之獨立性年度確認書，因此所有獨立非執行董事均被視為獨立人士。

董事培訓

全體董事必須清楚彼等之整體責任。任何新任董事將獲提供入職介紹，隨後會獲提供簡介及專業發展計劃。

根據守則條文第A.6.5條(自二零一二年四月一日起生效)，董事須參與持續專業發展，以發展及更新其知識及技能。此舉可確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。期內，全體董事透過閱讀與本公司業務或董事職責相關的資料，包括但不限於新香港公司條例(第622章)的變動及GEM上市規則項下關連交易的最新發展，參與合適的持續專業發展活動。

審計委員會、薪酬委員會及提名委員會主席林天發先生於二零一七年亦出席一系列由香港會計師公會組織之持續專業發展相關研討會／課程。

CORPORATE GOVERNANCE REPORT

企業管治報告

(2) BOARD OF DIRECTORS *(Continued)*

Directors' Liability Insurance

Appropriate liability insurance, the coverage of which is reviewed annually, has been arranged to indemnify the Directors' risk exposure arising out of corporate activities.

(3) CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code A.2.1 of the Code Provisions, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, so that there is a clear division of responsibilities between the management of the Board and the day-to-day management of the Company's business to ensure a balance of power and authority.

During the year ended 31 December 2017, the Company was in compliance with the aforesaid Code Provisions:

(2) 董事會(續)

董事責任保險

本公司已為董事安排適當責任保險，為彼等因公司業務而面對之風險提供賠償保障，並每年審閱其承保範圍。

(3) 主席與行政總裁

根據守則條文第A.2.1條，主席與行政總裁之職能須分開，且不應由同一人士出任，使董事會管理與本公司日常業務管理之職責清楚劃分，以確保權力和授權之平衡。

於截至二零一七年十二月三十一日止年度，本公司遵守上述守則條文：

CORPORATE GOVERNANCE REPORT

企業管治報告

(4) AUDIT COMMITTEE

The Audit Committee was established on 11 August 2000. The terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange. The Audit Committee's principal duties are to review and supervise the financial reporting process and internal control procedures of the Group.

The revised terms of reference of Audit Committee in accordance with Code C.3.3 of the Code Provisions of the GEM Listing Rules was adopted on the Board Meeting held on 21 March 2012.

The members of Audit Committee is currently comprised Mr. Lam Tin Faat, Ms. Lu Haina and Ms. Na Xin, all of whom are independent Non-executive Directors. Mr. Lam Tin Faat is the chairman of the Audit Committee.

The Audit Committee meets four times a year to review with senior management and at least twice a year with the Company's auditors for the Company's audit findings, accounting policies and standards, changes of accounting rules (if any), compliance with listing rules, internal and audit control, and budget and cash flow forecast.

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 December 2017 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

The summary of work of the audit committee during the period is as follows:—

- met with the external auditors, reviewed and made recommendations for the Board's approval on the annual, interim and quarterly reports of the Company;
- reviewed and approved audit fee;
- recommended the re-appointment of Grant Thornton Hong Kong Limited as auditors, subject to the Shareholders' approval at the annual general meeting;
- reviewed the effectiveness of the Company's risk management and internal control systems; and
- reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function.

(4) 審計委員會

審計委員會已於二零零零年八月十一日成立。審計委員會之職權範圍可於本公司及聯交所網站查詢。審計委員會之主要工作為檢討與監督本集團之財務報告流程以及內部監控程序。

遵從GEM上市規則守則條文第C.3.3條的審計委員會經修訂職權範圍已於二零一二年三月二十一日舉行的董事會會議上獲採納。

審計委員會現由三位獨立非執行董事林天發先生、陸海娜女士及那昕女士所組成。林天發先生為審計委員會之主席。

審計委員會與高級管理層每年舉行四次會議，並與本公司核數師每年最少舉行兩次會議，就本公司之審計事宜、會計政策及準則、會計規則變動(如有)、遵守上市規則事務、內部及審計監控、預算及現金流量預測進行審閱。

審計委員會已審閱本集團截至二零一七年十二月三十一日止年度內之未經審計季度及中期業績及經審計年度業績，審計委員會認為該等報表已遵從適用之會計準則，並已作出充分披露。

期內審計委員會的工作概要如下：—

- 與外聘核數師會面，審閱本公司的年度、中期及季度報告，並就此提出建議供董事會批准；
- 審閱及批准核數費用；
- 建議續聘致同(香港)會計師事務所有限公司為核數師，有待股東於股東週年大會上批准；
- 檢討本公司的風險管理及內部監控制度的成效；及
- 檢討本公司會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠。

CORPORATE GOVERNANCE REPORT

企業管治報告

(4) AUDIT COMMITTEE (Continued)

Details of the attendance of members at Audit Committee meeting are as follows:

		17 Mar 2017 二零一七年 三月十七日	5 May 2017 二零一七年 五月五日	8 Aug 2017 二零一七年 八月八日	8 Nov 2017 二零一七年 十一月八日
Mr. LAM Tin Faat	林天發先生	✓	✓	✓	✓
Ms. LU Haina	陸海娜女士	✓	✓	✓	✓
Ms. NA Xin	那昕女士	✓	✓	✓	✓

(5) REMUNERATION COMMITTEE

The Remuneration Committee was established on 10 May 2005. The written terms of reference of the remuneration committee are available on the websites of the Company and the Stock Exchange. The Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for all directors and senior management's remuneration.

The revised terms of reference of remuneration committee in accordance with Code B.1.2 of the Code Provisions of the GEM Listing Rules was adopted on the Board meeting held on 21 March 2012.

The members of Remuneration Committee is currently comprised Mr. Lam Tin Faat and Ms. Na Xin, both are independent Non-executive Directors, and Ms. Li Xia who is an executive Director, Mr. Lam Tin Faat is the chairman of the Remuneration Committee.

The Remuneration Committee should hold at least one regular meeting in a year. During the year under review, the members of Remuneration Committee, Mr. Lam Tin Faat, Ms. Li Xia and Ms. Na Xin attended the Remuneration Committee Meeting on 8 November 2017.

The summary of work of the remuneration committee during the period is as follows:-

- reviewed and recommended to the Board on the remuneration packages of the executive Directors and senior management of the Company; and
- reviewed and recommended to the Board on the Directors' fees of independent non-executive Directors.

(4) 審計委員會(續)

審計委員會成員出席會議之詳情如下：

(5) 薪酬委員會

薪酬委員會已於二零零五年五月十日成立。薪酬委員會之書面職權範圍可於本公司及聯交所網站查詢。薪酬委員會乃就本公司全體董事及高級管理人員之薪酬政策及架構向董事會提供建議。

遵從GEM上市規則守則條文第B.1.2條的薪酬委員會經修訂職權範圍已於二零一二年三月二十一日舉行之董事會會議上獲採納。

薪酬委員會現由獨立非執行董事林天發先生及那昕女士，以及執行董事李霞女士所組成。林天發先生為薪酬委員會主席。

薪酬委員會應每年舉行至少一次定期會議。回顧年度內，薪酬委員會成員林天發先生、李霞女士及那昕女士於二零一七年十一月八日出席薪酬委員會會議。

期內，薪酬委員會的工作概要如下：-

- 審閱執行董事及本公司高級管理層的薪酬待遇，並就此向董事會提出建議；及
- 審閱獨立非執行董事的董事袍金，並就此向董事會提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

(6) NOMINATION COMMITTEE

The Nomination Committee was established on 21 March 2012. The written terms of reference of the nomination committee are available on the websites of the Company and the Stock Exchange. The Nomination Committee is to assist the Board to deal with matters in relation to appointment of members of the Board.

The written terms of reference of nomination committee in accordance with Code A.5.2 of the Code Provisions of the GEM Listing Rules was adopted on the Board meeting held on 21 March 2012.

The members of Nomination Committee is currently comprised Mr. Lam Tin Faat and Ms. Na Xin, both are independent Non-executive Directors, and Ms. Li Xia who is an executive Director, Mr. Lam Tin Faat is the chairman of the Nomination Committee.

The Nomination Committee should hold at least one regular meeting in a year. During the year under review, the members of Nomination Committee, Mr. Lam Tin Faat, Ms. Li Xia and Ms. Na Xin attended the Nomination Committee Meeting on 8 August 2017.

The summary of work of the nomination committee during the period is as follows:—

- reviewed the existing Board's structure, size and composition; and
- reviewed and assessed the independence of the independent non-executive Directors.

The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board regularly to ensure that the Board has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

(6) 提名委員會

提名委員會已於二零一二年三月二十一日成立。提名委員會之書面職權範圍可於本公司及聯交所網站查詢。提名委員會乃協助董事會處理有關委任董事會成員之事宜。

遵從GEM上市規則守則條文第A.5.2條的提名委員會書面職權範圍已於二零一二年三月二十一日舉行之董事會會議上獲採納。

提名委員會現由獨立非執行董事林天發先生及那昕女士，以及執行董事李霞女士所組成。林天發先生為提名委員會主席。

提名委員會應每年舉行至少一次定期會議。回顧年度內，提名委員會成員林天發先生、李霞女士及那昕女士於二零一七年八月八日出席提名委員會會議。

期內提名委員會的工作概要如下：—

- 審閱現時董事會的架構、規模及組成；及
- 檢討及評估獨立非執行董事的獨立性。

提名委員會定期檢討董事會的架構、規模及組成(包括技能、知識及經驗)以確保董事會同時兼備專業知識、技能及經驗符合本公司業務的要求。董事會出現空缺時，提名委員會將參考建議候選人之技能、經驗、專業知識、個人誠信及可付出時間、本公司之需要及其他有關法例規定及規例，進行甄選程序。

CORPORATE GOVERNANCE REPORT

企業管治報告

(6) NOMINATION COMMITTEE *(Continued)*

Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives as stated in the above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this report, the Board comprises six directors. Three of the directors are independent nonexecutive directors and independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of professional background, gender and skills.

(7) COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. Our current Company Secretary is Mr. Zhao Zhipeng, appointed on 30 June 2015, is responsible for facilitating the process of implementing the Board's decision, as well as communications between the members of the Board and the management team of the Company, and advising the Board and its committees on all governance matters.

The biographical details of Mr. Zhao Zhipeng are set out on page 45 of this annual report.

(6) 提名委員會(續)

董事會多元化政策

董事會採納董事會多元化政策，當中列載達致本公司可持續均衡發展及提升本公司表現質素而採取之方針。

本公司旨在透過多個方面考慮實現董事會成員多元化，包括但不限於年齡、文化及教育背景、種族、專業經驗、技巧、知識以及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

甄選候選人將按上述一系列多元化範疇為基準。最終將按人選的長處及可為董事會作出的貢獻而作決定。

於本報告日期，董事會由六名董事組成。三名董事為獨立非執行董事並獨立於管理層，有助嚴格檢討及監控管理程序。董事會無論於專業背景、性別及技能方面亦體現多元共融特色。

(7) 公司秘書

所有董事均可向公司秘書諮詢意見及獲得服務。現任公司秘書為趙志鵬先生，於二零一五年六月三十日獲委任，負責促進落實董事會決策，以及董事會成員與本公司管理層團隊之間的溝通，並就所有管治事宜向董事會及其轄下委員會提供意見。

趙志鵬先生之履歷詳情載於本年報第45頁。

CORPORATE GOVERNANCE REPORT

企業管治報告

(8) COMPLIANCE OF CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirms that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors adopted by the Company throughout the twelve months ended 31 December 2017.

(9) DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the Company's financial statements for the year ended 31 December 2017 which reflect true and fair view of the financial position of the Company and the Group and in compliance with relevant law and disclosure provisions of the Listing Rules. The Board is responsible for presenting a balanced, clear and comprehensible assessment extends to annual and interim reports, other inside information announcements and other financial disclosures required under the GEM Listing Rules.

The Group appointed Grant Thornton Hong Kong Limited as the Group's external auditor. The statement by Grant Thornton Hong Kong Limited regarding their reporting responsibilities to the shareholders on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 46 to 51 of this annual report.

(8) 遵守董事進行證券交易守則

本公司已就董事進行之證券交易採納一項條款不低於GEM上市規則第5.48至5.67條所載規定買賣準則之操守守則。經向全體董事作出特定查詢後，本公司全體董事確認於截至二零一七年十二月三十一日止十二個月期間一直遵守規定買賣準則，以及由本公司所採納有關董事進行證券交易之操守守則。

(9) 董事及核數師對財務報表的責任

董事確認彼等須負責遵循有關法律及上市規則之披露規定，編製本公司截至二零一七年十二月三十一日止年度財務報表，以真實及公平反映本公司及本集團之財務狀況。董事會有責任作出平衡、清晰及全面之評估，並適用於年度報告及中期報告、其他內幕消息公告及GEM上市規則要求的其他財務披露。

本集團委聘致同(香港)會計師事務所有限公司作為本集團的外部核數師。致同(香港)會計師事務所有限公司就彼等有關本集團綜合財務報表向股東的報告責任聲明載於本年報第46至51頁的獨立核數師報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

(10) AUDITORS' REMUNERATION

For the year ended 31 December 2017, the remuneration for the provision of audit and non-audit services by the Auditors to the Group is as follows:

Fees breakdown by accounting firms 費用按會計師行劃分

Grant Thornton*	致同會計師事務所*
Annual audit services	年度核數服務
Other professional CPA firms	其他專業執業會計師行
Annual audit services	年度核數服務
Total	總計

* Grant Thornton (including Grant Thornton and Grant Thornton Hong Kong Limited, hereinafter referred to as "Grant Thornton").

(10) 核數師酬金

截至二零一七年十二月三十一日止年度，本公司的核數師向本集團提供核數及非核數服務的酬金如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
820	747
191	174
1,011	921

* 致同會計師事務所(包括致同會計師事務所(特殊普通合夥)及致同(香港)會計師事務所有限公司，以下稱「致同會計師事務所」)。

(11) RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management and internal control system of the Group and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risk rather than eliminating the risk of failure to achieve business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Management team of the Company has established the Group's Internal Control Policies and Guidance for monitoring the internal control system.

The Board has delegated to the management team of the Company the implementation of such internal control systems as well as the review of relevant financial, operational and compliance controls and risk management procedures. Qualified personnels and individual business unit heads of the Group maintain and monitor the compliance of these internal control systems and procedures on an ongoing basis and report variances to senior management.

(11) 風險管理及內部監控

董事會確認對本集團的風險管理及內部監控制度負責，並有責任持續檢討其有效性。該風險管理及內部監控制度旨在管理而非消除未能達成業務目標之風險，而且就避免重大的失實陳述或損失而言，僅能作出合理而非絕對的保證。

本公司管理層團隊已就監察內部監控制度制定本集團之內部監控政策及指引。

董事會授權本公司管理層團隊推行該等內部監控制度之執行工作，並檢討有關財務、營運與監察控制及風險管理之程序。本集團的合資格人士及個別業務單位主管負責維持及持續監督符合該等內部監控制度及程序，並向高級管理層報告任何變動。

CORPORATE GOVERNANCE REPORT

企業管治報告

(12) INTERNAL CONTROL

Based on the assessment and review made by the Board and senior management on the effectiveness of the internal control system, the Audit Committee is satisfied that:

- the internal control and accounting systems of the Group are designed to provide reasonable assurance as to material assets of the Group are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorisation and the accounts are reliable for publication; and
- there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

(13) COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS RIGHT

The Company endeavors to maintain an on-going dialogue with the shareholders and in particular, through annual general meetings or other general meetings to communicate with the shareholders and encourage their participation. The Company will ensure that there are separate resolutions for separate issues proposed at the general meetings.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirements.

A) General Meetings

The general meetings of the Company provide a good opportunity for communication between the shareholders of the Company and the Board. An annual general meeting of the Company shall be held in each year and at such time and place to be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting.

(12) 內部監控

基於董事會及高級管理層就內部監控制度的效能所作出之評估及檢閱，審計委員會接納以下兩項：

- 本集團之內部監控及會計制度旨在合理保證本集團重大資產得到保障、本集團業務風險受到識別及監督、重大交易根據管理層授權而執行，以及賬目可靠地作刊行；及
- 可提供持續識別、評估及管理本集團所面對之重大風險之程序。

(13) 與股東的溝通及股東權利

本公司致力維持與股東的持續對話及尤其透過股東週年大會或其他股東大會與股東溝通及鼓勵彼等參與。本公司將確保於股東大會上就另行提呈的事宜另設決議案。

本公司將繼續維持開放及有效的投資者溝通政策，以及按適時方式向投資者提供有關本集團業務的最新相關資料，惟須遵守相關監管規定。

A) 股東大會

本公司的股東大會為本公司股東及董事會提供良好的溝通機會。本公司的股東週年大會須每年舉行，時間地點則由董事會釐定。股東週年大會以外的各個股東大會均稱為股東特別大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

(13) COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS RIGHT *(Continued)*

A) General Meetings *(Continued)*

The 2018 AGM is scheduled on Thursday, 17 May 2018. A circular containing, among other matters, further information relating to the 2018 AGM will be despatched to the shareholders of the Company together with this report in accordance with the Bye-Laws, the GEM Listing Rules and other applicable laws and regulations.

B) Rights and Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to Section 58 of the Bye-Laws, any one or more shareholders of the Company holding as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74 (3) of the Bye-Laws.

C) Right to Put Enquiries to the Board

Shareholders of the Company have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Board or the company secretary. Shareholders may also make enquiries with the Board at the general meetings of the Company.

(13) 與股東的溝通及股東權利(續)

A) 股東大會(續)

二零一八年股東週年大會定於二零一八年五月十七日(星期四)舉行。根據細則、GEM上市規則及其他適用法例及法規，載有(其中包括)有關二零一八年股東週年大會進一步資料的通函將連同本報告一併寄發予本公司股東。

B) 股東召開股東特別大會的權利及程序

根據細則第58條，本公司的股東特別大會須應一名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一的股東要求時召開。該項要求須以書面形式向董事會或公司秘書提呈，以要求董事會就該項要求所指定處理的任何事項召開股東特別大會。該大會須於該項要求遞呈後兩個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可根據細則第74(3)條的規定自發作出此舉。

C) 向董事會查詢的權利

本公司股東有權向董事會作出查詢。所有該等查詢將須以書面形式作出，並郵寄至本公司於香港的主要營業地點，收件人為董事會或公司秘書。股東亦可於本公司股東大會上向董事會作出查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

(14) ATTENDANCE OF GENERAL MEETING

Pursuant to code provision E.1.2 of the CG Code, the Chairman should attend the annual general meeting of the Company and he should invite the chairmen of the Audit Committee, the Remuneration Committee, the Nomination Committee and any other committees (as appropriate) to attend. Pursuant to code provision A.6.7 of the CG Code, independent non-executive Director and other non-executive Directors should attend the general meetings of the Company. During the year ended 31 December 2017, the annual general meeting of the Company was held on 22 May 2017, and all the then Directors had attended the annual general meeting.

INVESTORS RELATIONS

The Company has established a range of communication channels between itself and the Shareholders, and investors. These include answering questions through the general meetings, the publication of annual, interim and quarterly reports, notices, announcements and circulars on the Company's website at <http://www.hkjewelry.net/> and meetings with investors and the Shareholders. News update of the Group's business development and operation are also available on the Company's website (<http://www.hkjewelry.net/>).

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

With respect to the monitoring and disclosure of inside information, the Company has formulated and implemented its guidelines, with an aim to ensure that the insiders abide by the confidentiality requirement and fulfil the disclosure obligation. The guidelines includes, but not limited to, the procedures as follows:

- The Group has strictly prohibited unauthorised use of confidential or inside information;
- The Group has stipulated policy on handling of rumours, unintentional selective disclosure and waiver to the disclosure of inside information, external communication guidelines and compliance and reporting procedures.
- The Group authorised only the executive Directors and company secretary for responding to external enquiries about Group's affairs; and
- Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the website of GEM and the Company, according to the requirements of the GEM Listing Rules.

There had been no change in the Company's constitutional documents during the period.

(14) 出席股東大會

根據企業管治守則之守則條文第E.1.2條，主席應出席本公司股東週年大會，而彼應邀請審計委員會、薪酬委員會、提名委員會及任何其他委員會(如適用)之主席出席。根據企業管治守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席本公司股東大會。於截至二零一七年十二月三十一日止年度內，本公司於二零一七年五月二十二日召開股東週年大會，而全體當時在任董事均已出席該股東週年大會。

投資者關係

本公司已設立多個渠道與其股東及投資者溝通，包括於股東大會回答提問、於本公司網站(<http://www.hkjewelry.net/>)刊發年報、中期報告及季度報告、通告、公佈及通函、以及與投資者及股東會面。本公司亦會於公司網站(<http://www.hkjewelry.net/>)公佈本集團業務發展及營運的最新消息。

處理及發佈內幕消息

關於內幕消息的監控及披露，本公司已就保證內幕人士遵循保密要求及履行披露義務制定及實施相關的指引。該指引包括但不限於下列程序：

- 本集團已嚴格禁止未經授權使用機密或內幕消息；
- 本集團已制定有關謠言之處理、非故意之選擇性披露、免除內幕消息之披露、對外通訊與溝通指引以及遵守及報告程序之政策。
- 本集團僅授權執行董事及公司秘書就外界查詢本集團事務作出回應；及
- 根據GEM上市規則規定，本公司內幕消息之發佈方法乃於GEM及本公司網站刊載相關消息。

本公司之組織章程文件於期內並無改動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Yu Tak International Holdings Limited is principally engaged in the development, sale and implementation of enterprise software products and the provision of systems integration and professional services, design and sales of gold and jewellery products and investment holding. Its subsidiaries, which offer a full spectrum of enterprise applications to banks, financial enterprises and multi-national companies in Hong Kong, China and Southeast Asia, are leading enterprises in the industry in terms of technology. By unswervingly adhering to the philosophy of innovation-driven development and its goal of development, the Group keeps abreast of time and is committed to expanding its business, in an effort to maximize return for the shareholders. Meanwhile, the Group places emphasis on environment protection and social responsibility, proactively participates in public welfare activities, and attaches great importance to safeguarding employees' rights and interests to offer them an ideal working environment.

SOCIETY

Employment and Labour Practices

Employees' Rights and Interests

The Group strictly abides by the relevant employment laws in Hong Kong, and is committed to safeguarding and protecting employees' rights and interests. A set of well-established employment policies covering recruitment, remuneration and welfare, assessment and promotion is in place, which sets out various standards and guidelines in respect of employment, so as to prevent unfair treatment. Employees' remuneration shall be determined based on their individual performance, qualification and experience with reference to the prevailing market rate.

We value each individual employee as we recognise their contribution to the success of the Group. Therefore, the Group offers year-end bonus to the staff based on their individual performance every year as a token of recognition and reward. In addition, we will conduct assessment of each employee's performance on a regular basis and, where appropriate, offer them promotion opportunities.

The Group's management has always been willing to accept well-intentioned advices and attached great importance to the communication with employees. The annual dinner and various festival activities organized by the Group all contributed to building a healthier employment relationship and a cohesive work team.

御德國際控股有限公司主要經營企業軟件產品開發、銷售及實施，提供系統集成及專業服務，設計及銷售黃金及珠寶產品，以及投資控股。旗下附屬公司在香港、中國及東南亞為銀行、金融企業及跨國公司提供全面企業應用軟件，是業內科技領軍企業。本集團堅持秉承創新理念及發展目標，矢志不移、與時俱進，並致力拓展業務，務求為股東創造更大回報，同時著重對環境和社會承擔責任，積極參與社會公益活動，並重視僱員權益保障，為他們創造理想的工作環境。

社會

就業和勞工措施

僱員權益

本集團嚴格遵守香港相關勞工法例，致力維護和保障員工的權益。我們已為員工制定一套完善的僱傭政策，涵蓋招聘、薪酬福利、評核、晉升等範疇，務求清楚釐定各項標準和指引，避免出現不公平的情況。員工的薪酬一律以市場水平作參考，並以僱員的表現、資歷及經驗釐定。

我們重視每位員工，因為本集團的成功有賴他們在不同崗位的貢獻。為此，本集團每年均按其表現發放年終花紅，作為嘉許及獎勵。此外，我們會對員工的表現定期進行評核，並適當給予晉升機會。

本集團的管理層向來從善如流，高度重視與員工的交流。本集團每年舉行的週年晚會，以及各類節慶活動，均為促進僱傭關係的良機，有助建立上下一心的工作團隊。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Occupational Safety

Due to the service and retail nature of our business, our employees are not subject to material safety hazards during their work. However, we still attach great importance to our employees' health and safety, and have established sound relevant system in accordance with the labour laws, fire control regulations and industry practices. In addition to regular fire drill, we enhanced employees' capability in coping with incidents and unexpected disasters, and also organized safety education to enhance our staff's safety awareness. Meanwhile, the Company has maintained appropriate liability insurance for its directors and employees to provide coverage to them for risks associated with the business operation of the Company. The insurance coverage is reviewed annually.

Development and Training

The Group spares no effort in training its employees, and will arrange appropriate trainings for all employees ranging from front-line sales staff to logistics management and technical personnel, in order to improve their knowledge and skills, thereby improving the Company's service quality.

All new employees will receive orientation training upon joining our Group, which will help them fully understand their duties and the skills required. Senior employees will act as their tutor at work to give on-the-spot instructions. In addition, department heads will coordinate with the human resources department to develop suitable training programs for employees as required and based on their assessment of individual employees.

As the management of the Group, the Directors must be fully aware of their overall responsibilities. The Group strictly abides by the requirements of code provision A.6.5 of the Corporate Governance Code. In addition to orientation training, all newly appointed Directors shall participate in the training programs in relation to continuous professional development to develop and refresh their knowledge and skills. During the period, all Directors have participated in appropriate continuous professional development activities by ways of reading materials in relation to the Company's business or Directors' responsibilities.

職業安全

由於本集團的業務主要屬於服務和零售性質，因此員工的人身安全並無面臨太大風險。然而我們仍然高度重視員工的健康和安全，並已根據勞工法例、消防條例和行業守則，制定了完善的相關制度。除了定期的火警演習，加強員工對突發災難的應對能力，我們還推行教育提高員工的安全意識。同時，本公司已為各董事及員工購買適當的責任保險，為彼等因公司業務面對的風險提供保障，並每年審閱其承保範圍。

發展及培訓

本集團對於人材的培訓向來不遺餘力，由前線的銷售員工，以至後勤的管理和科技人員，均會安排相應的培訓，以提高他們對工作的知識和技巧，提升本公司的服務質素。

員工於新入職時均會接受入職培訓，以清楚瞭解工作職務和所需技能。工作期間，資深員工亦會從旁指導，擔當導師的角色。此外，各部門主管會按需要和對員工的評核，與人事部協調，制定適切的培訓。

董事作為本集團的管理層，必須清楚其整體責任。本集團謹遵企業管治守則A.6.5條規定，任何新任董事除了接受入職介紹，還須參與持續專業發展培訓，以發展及更新其知識及技能。期內，全體董事透過閱讀與本公司業務或董事職責相關的資料，參與合適的持續專業發展活動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Labour Standards

The Group strictly abides by the labour law and other relevant regulations in Hong Kong which strictly prohibits the employment of people under the age of 18 or forced labour. We also have formulated explicit internal guidance which requires that during the recruitment process, the original copies of the identity certification documents of the job applicants should be verified before employment. Any job applicants who provide false identity information will be handed over to the police for follow-up actions.

Supply Chain Management

The Group's suppliers mainly include software suppliers or relevant outsourcing suppliers, and their business operation will not have any adverse impact on the environment and society. Therefore, we have no guidance on supply chain management in place. However, we will conduct an internal assessment of each supplier on a regular basis in order to review our cooperation with them.

Product Liability

The Group strictly abides by the relevant laws and regulations in Hong Kong and has formulated its own internal guidelines to set quality criteria for various products and services. A dedicated team has been appointed to take charge of the assessment work to ensure the quality criteria have been met. The Group has formulated strict review procedures for its IT software to prevent any risks to the health and safety of the consumers. We have also established comprehensive regulations on the usage of product labels in accordance with relevant laws to prevent any false or misleading information.

Meanwhile, we have also established a set of sound mechanism to handle complaints and product recalls. Upon receipt of any complaint, we will carry out internal investigation immediately and take follow-up and improvement measures, so as to prevent similar events from happening again.

Anti-corruption

Although the Group has not formulated any explicit anti-corruption policies, it has always upheld the principle of integrity and strictly abided by the relevant regulations in Hong Kong, and is committed to preventing corruption. A variety of procedures have been established to ensure prompt follow-up and investigation upon receipt of any corruption report, and any people involved in corruption will be handed over to the competent authorities. With joint efforts by all staff, no incidents of corruption involving any of our employees were reported so far.

勞工準則

本集團嚴格遵守香港勞工法和其他相關法規，一律嚴禁聘用18歲以下未成年人士或強制勞工。我們亦已制定清晰的內部指引，於招聘過程中，必須核實應徵者身份證明文件的正本，待確認無誤後方可聘任。倘發現冒充身份，我們將依法把相關人士交由警方跟進處理。

供應鏈管理

本集團的供應商主要為軟件供應商或相關外包供應商，他們的業務概不會對環境和社會造成不利影響。因此我們並未就供應鏈制定明確清晰的指引，但內部亦會定期評核供應商的情況，檢討與彼此之間的合作。

產品責任

本集團嚴格遵守香港相關法例及法規，並自行制定內部指引，對各類產品和服務定下品質標準，並由專責人員進行評鑑，確保符合規定。本集團的科技軟件設有嚴格的審計程序，概不會威脅消費者的健康和 safety。我們對產品的標籤亦已根據相關法例制定全面規範，避免失實或誤導的資料出現。

與此同時，我們亦已制定一套完善的機制處理投訴和產品回收事宜，一旦接獲投訴，將立即進行內部調查，採取相應的跟進和改善措施，避免同類事件再次發生。

反貪腐

本集團儘管沒有明確制定反貪腐政策，但向來秉持廉潔奉公的精神，嚴格遵守香港相關的法規，並致力防止貪腐的情況出現。我們亦已制定各項相應程序，一旦接獲舉報，必定盡速跟進和調查，並將違法者送交相關執法部門處理。公司上下同心，至今並無員工涉及貪腐行為。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Contribution to the Society

The Group proactively implements the philosophy of “take and give” by making positive contributions to the society and actively participating in public welfare activities. We offer more job opportunities to local residents by recruiting local employees. In addition, the Group proactively encourages its employees to participate in community and charity activities and advocates charitable concept among the employees.

ENVIRONMENTAL PROTECTION

Emission Reduction

The business of the Group mainly includes development of IT software and system and doesn't involve industrial activities with high pollution levels. As such, neither greenhouse gases or waste gases nor discharges such as sewage or wastes will be generated during the ordinary course of business. Therefore, the Group has no relevant policies in place. However, we will properly collect and dispose general office wastes in accordance with the relevant regulations and rules.

Utilisation of Resources

Although the Group is not a resource-consuming enterprise, it has also taken various measures to facilitate the rational utilisation of valuable resources. We encourage our employees to save water and energy. For example, all lights and air conditioners in the offices and retail stores must be turned off after close of business in order to avoid waste of electricity. In addition, in case of water leakage caused by damaged pipes, we will repair such damaged pipes immediately to reduce waste of valuable portable water resources.

Meanwhile, we instill such concept to enhance employees' environmental awareness and encourage them to recycle used materials such as envelopes and waste paper as much as possible.

Environment and Natural Resources

Although our business will not have a material impact on the environment and natural resources, we still abide by the relevant environmental laws in Hong Kong and we will take decisive remedial measures once we are aware of any irregularities.

回饋社會

本集團積極奉行「取於斯，用於斯」的理念，積極回饋社會，對於公益善舉不遺餘力。我們致力招聘本地員工，增加本地就業機會。此外，本集團積極鼓勵員工參與社區和慈善活動，在公司內部推動慈善公益觀念。

環境保護

減少排放

本集團的業務主要為開發科技軟件和系統等業務，不涉及高污染程度的工業活動，因此業務不會排放溫室氣體或廢氣，也概無污水或廢料等排放物，故本集團並無制定相關的政策。然而，對於一般的辦公室垃圾，我們均會按照相關法例和規定，妥善收集和處理。

資源運用

儘管本集團的資源耗用量不高，但同樣作出不同措施以善用珍貴的資源。我們鼓勵員工節水節能，如辦公室和門市於辦公時間後，所有電燈及空調均須關閉，避免浪費電力。此外，倘發現喉管損壞導致漏水情況出現，我們會立即進行搶修，減少浪費珍貴的食水。

與此同時，我們從教育方面入手，加強員工的環保意識，並鼓勵他們盡可能循環使用舊物料，例如信封、廢紙等。

環境和自然資源

本集團的業務對環境及自然資源不會造成重大影響，但我們仍然遵守香港環境相關的法例，一旦發現任何違規情況，將果斷採取適當的糾正措施。

DIRECTORS' REPORT

董事會報告

The Directors have pleasure in submitting their report and audited consolidated financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities and other particulars of its principal subsidiaries are set out in note 15 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 and financial position of the Group at that date are set out in the consolidated financial statements on pages 52 to 148.

The Directors do not recommend payment of any dividend for the year ended 31 December 2017 (2016: HK\$Nil).

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2017 is set out in the "Financial Summary", "Chairman's Statement" and "Management Discussion and Analysis" on pages 5, pages 6 to 7 and pages 8 to 11 respectively of this Annual Report.

The Group is committed to enhancing governance, promoting employee benefits and development, protecting the environment and giving back to society in order to fulfill social responsibility and achieve sustainable growth. The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 5 of the annual report.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 28 to the consolidated financial statements.

董事會欣然提呈截至二零一七年十二月三十一日止年度之董事會報告及經審計綜合財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情以及其他資料載於綜合財務報表附註15。

業績及分派

本集團截至二零一七年十二月三十一日止年度之業績及本集團於當日的財務狀況，載於第52頁至第148頁之綜合財務報表。

截至二零一七年十二月三十一日止年度，董事不建議派發股息(二零一六年：無)。

業務回顧

本集團截至二零一七年十二月三十一日止年度之業務回顧分別載於本年報第5頁、第6至7頁及第8至11頁之「財務概要」、「主席報告」及「管理層討論及分析」等節。

本集團致力提升管治、促進僱員福利與發展、保護環境及回饋社會，從而履行社會責任並實現可持續增長。本集團已遵守對本集團營運構成重大影響之相關法律及法規。

財務概要

本集團於過往五個財政年度之業績及資產負債概要載於年報第5頁。

股本

本公司股本之變動詳情載於綜合財務報表附註28。

DIRECTORS' REPORT

董事會報告

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 55 and note 30 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, and there was no restriction against such rights under the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

DIRECTORS

The directors of the Company during the year and up to the date of this report were as follows:

Executive Directors:

Mr. CHONG Yu Ping (*Chairman*)
Ms. LI Xia (*Chief Executive Officer*)
Mr. CHEN Yin

Independent Non-executive Directors:

Mr. LAM Tin Faat
Ms. LU Haina
Ms. NA Xin

儲備

年內本集團及本公司儲備之變動詳情分別載於第55頁之綜合權益變動表及綜合財務報表附註30。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於綜合財務報表附註14。

優先購買權

本公司之公司細則並無有關優先購買權之規定，且百慕達法律下亦無與該等權益有關的限制，致令本公司須按比例向現有股東提呈發售新股。

購買、出售或贖回本公司上市證券

截至二零一七年十二月三十一日止年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何股份。

董事

年內及直至本報告日期之本公司之董事如下：

執行董事：

莊儒平先生(主席)
李霞女士(行政總裁)
陳寅先生

獨立非執行董事：

林天發先生
陸海娜女士
那昕女士

DIRECTORS' REPORT

董事會報告

DIRECTORS (Continued)

Pursuant Article 83(2) of the Bye-laws of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Pursuant to Article 84(2), any Director appointed pursuant to Article 83(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to Article 84 of the Bye-laws of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that notwithstanding anything herein, every Director shall be subject to retirement at least once every three years. Mr. Chong Yu Ping, Ms. Li Xia and Ms. Na Xin will retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and Senior Management are set out on pages 43 to 45.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to directors' duties, responsibilities and performance and the results of the Group.

董事(續)

根據本公司之公司細則第83(2)條，董事應有權不時及隨時委任任何人士為董事，以填補董事會臨時空缺。以此方式獲董事會委任之任何董事之任期直至本公司下屆股東週年大會為止，屆時其應符合資格於該大會上膺選連任。根據第84(2)條，董事會根據第83(2)條委任的任何董事在釐定輪值退任的特定董事或董事數目時不應考慮在內。

根據本公司之公司細則第84條，於每屆股東週年大會上，當時在任之三分之一董事(或如董事人數並非三或三之倍數，則為最接近但不少於三分之一之數目)須輪值告退，惟不論本文有任何規定，董事須至少每三年退任一次。莊儒平先生、李霞女士及那昕女士將於應屆股東週年大會上輪值告退，彼等符合資格且願意膺選連任。

董事及高級管理人員履歷

董事及高級管理人員履歷載於第43頁至第45頁。

董事之服務合約

擬於應屆股東週年大會上接受重選之董事概無與本公司或其任何附屬公司訂有於一年內不支付賠償(法定賠償除外)而不可終止之未屆滿服務合約。

董事薪酬

董事袍金須待股東於股東大會批准後，方可作實。其他酬金由董事會經參考董事之職責及表現以及本集團業績後釐定。

DIRECTORS' REPORT

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 31 December 2017, the interests and short positions of the Directors and the Chief Executive Officer of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), were as follows:

董事及主要行政人員於本公司之股份、相關股份及債券中持有之權益及淡倉

於二零一七年十二月三十一日，根據本公司遵照證券及期貨條例(「證券及期貨條例」)第352條規定存置之登記冊所載，或根據香港聯合交易所有限公司(「聯交所」)GEM證券上市規則(「GEM上市規則」)第5.46條給予本公司及聯交所之通知，本公司董事及主要行政人員及彼等之聯繫人士於本公司及其相聯法團之股份、相關股份或債券中持有之權益及淡倉如下：

Long positions in the ordinary shares of HK\$0.10 each of the Company

於本公司每股面值0.10港元普通股之好倉

Name of Director 董事姓名	Number of ordinary shares held 持有普通股數目			Total 總計	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
	Beneficial Owner 實益擁有人	Held by family 由家族持有	Held by controlled corporation 由受控公司持有		
Mr. CHONG Yu Ping 莊儒平先生	-	-	312,606,140 (Note 1) (附註1)	312,606,140	26.30%
Ms. LI Xia 李霞女士	-	-	312,606,140 (Note 1) (附註1)	312,606,140	26.30%
Mr. CHEN Yin 陳寅先生	-	-	110,303,827 (Note 2) (附註2)	110,303,827	9.28%

DIRECTORS' REPORT

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

(Continued)

Long positions in the ordinary shares of HK\$0.10 each of the Company (Continued)

Notes:

- (1) These shares were held by Sino Eminent Limited. Sino Eminent Limited, a company incorporated in the British Virgin Islands, is owned as to 25% by Ocean Expert Investments Limited and 75% by Shenzhen Yihua Jewelry Co., Ltd ("Shenzhen Yihua"), a company incorporated in the PRC which is held as to approximately 75% by Mr. Chong Yu Ping. Accordingly, Mr. Chong Yu Ping is deemed to be interested in 312,606,140 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Mr. Chong Yu Ping through his shareholding in Shenzhen Yihua. Ocean Expert Investments Limited is a limited company incorporated in the British Virgin Islands which is wholly owned by Ms. Li Xia. Ms. Li Xia is deemed to be interested in 312,606,140 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Ms. Li Xia through her shareholding in Ocean Expert Investments Limited and through her acting as the sole director of Sino Eminent Limited.
- (2) These shares were held by Flourish Zone Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Chen Yin.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2017.

董事及主要行政人員於本公司之股份、相關股份及債券中持有之權益及淡倉(續)

於本公司每股面值0.10港元普通股之好倉(續)

附註：

- (1) 該等股份由在英屬處女群島註冊成立之華成有限公司持有，該公司由海通投資有限公司及深圳市藝華珠寶首飾股份有限公司(「深圳藝華」)分別持有25%及75%股權。深圳藝華為於中國註冊成立的公司，由莊儒平先生持有大約75%股權。由於華成有限公司由莊儒平先生通過持有深圳藝華股權所控制，故莊儒平先生被視為於華成有限公司持有之312,606,140股股份中擁有權益。海通投資有限公司為於英屬處女群島註冊成立的有限公司，由李霞女士全資持有。由於華成有限公司由李霞女士通過持有海通投資有限公司股權及作為華成有限公司的唯一董事所控制，故李霞女士被視為於華成有限公司持有之312,606,140股股份中擁有權益。
- (2) 該等股份由在英屬處女群島註冊成立並由陳寅先生全資擁有的盛域有限公司持有。

除已於上文披露外，於二零一七年十二月三十一日，董事或彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS

At 31 December 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

主要股東

於二零一七年十二月三十一日，據本公司遵照證券及期貨條例第336條存置之主要股東名冊所載，下列股東已知會本公司於本公司已發行股本中擁有相關權益及淡倉。

Name of Shareholder	股東名稱/姓名	Notes	Number of issued ordinary shares held	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Sino Eminent Limited	華成有限公司	1	312,606,140	26.30%
深圳市藝華珠寶首飾股份有限公司 (Shenzhen Yihua Jewelry Co., Ltd)	深圳市藝華珠寶首飾股份有限公司	1	312,606,140	26.30%
Ocean Expert Investments Limited	海通投資有限公司	1	312,606,140	26.30%
Ms. LI Xia	李霞女士	1	312,606,140	26.30%
Mr. CHONG Yu Ping	莊儒平先生	1	312,606,140	26.30%
Flourish Zone Limited	盛域有限公司	2	110,303,827	9.28%
Mr. CHEN Yin	陳寅先生	2	110,303,827	9.28%
Confluence Holdings Limited	匯原控股有限公司	3	91,034,166	7.65%
Mr. LIN Feifei	林樞樞先生	3	91,034,166	7.65%
CK Hutchison Holdings Limited	長江和記實業有限公司	4	143,233,151	12.05%
Alps Mountain Agent Limited	Alps Mountain Agent Limited	4	71,969,151	6.06%
iBusiness Corporation Limited	滙網集團有限公司	4	67,264,000	5.66%

Notes:

(1) These shares have been disclosed as Directors' interests held by controlled corporation in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company".

附註：

(1) 該等股份已在「董事及主要行政人員於本公司之股份、相關股份及債券中持有之權益及淡倉」一段披露為由受控公司持有的董事權益。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS (Continued)

- (2) Flourish Zone Limited is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chen Yin. Accordingly, Mr. Chen Yin is deemed to be interested in the 110,303,827 shares interested by Flourish Zone Limited.
- (3) Confluence Holdings Limited is a company incorporated in the British Virgin Islands which is held as to 95% by Mr. Lin Feifei. Accordingly, Mr. Lin Feifei is deemed to be interested in the 91,034,166 shares interested by Confluence Holdings Limited.
- (4) CK Hutchison Holdings Limited ("CK Hutchison") is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Alps Mountain Agent Limited ("Alps") and iBusiness Corporation Limited ("iBusiness"). Accordingly, CK Hutchison is deemed to be interested in 143,233,151 shares of the Company of which 71,969,151 shares are held by Alps and 67,264,000 shares are held by iBusiness under the SFO.

Save as disclosed above, the Company has not been notified of any other interests or short positions in the issued share capital of the Company at 31 December 2017.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers was approximately 55% of the Group's total turnover and the Group's largest customer accounted for approximately 33% of the Group's turnover.

The aggregate purchases during the year attributable to the Group's five largest suppliers was approximately 49% of the Group's total purchases and the Group's largest supplier accounted for approximately 48% of the Group's total purchases.

At no time during the year, the Directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major suppliers or customers.

主要股東(續)

- (2) 盛域有限公司為於英屬處女群島註冊成立之公司並由陳寅先生全資持有。因此，陳寅先生被視為於盛域有限公司擁有權益之110,303,827股股份中擁有權益。
- (3) 匯原控股有限公司為於英屬處女群島註冊成立之公司，由林樞樞先生持有95%的股份。因此，林樞樞先生被視為於匯原控股有限公司擁有權益之91,034,166股股份中擁有權益。
- (4) 長江和記實業有限公司(「長和」)於Alps Mountain Agent Limited(「Alps」)及滙網集團有限公司(「滙網」)擁有在其股東大會上行使或控制行使三分之一或以上投票權之權力。因此，根據證券及期貨條例長和和被視為於本公司143,233,151股股份(其中71,969,151股由Alps持有，67,264,000股由滙網持有)中擁有權益。

除已於上文所披露外，並無任何人士知會本公司於二零一七年十二月三十一日持有本公司已發行股本之任何其他權益或淡倉。

主要客戶及供應商

年內，來自本集團首五大客戶之營業額合共佔本集團總營業額約55%，而來自本集團最大客戶之營業額佔本集團營業額約33%。

年內，向本集團首五大供應商作出之採購額合共佔本集團總採購額約49%，而向本集團最大供應商作出之採購額佔本集團總採購額約48%。

年內，董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司股本5%以上者)未曾擁有此等主要供應商或客戶之任何權益。

DIRECTORS' REPORT

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries a party to any arrangement that enables the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS

The Group's continuing connected transactions are mainly transactions in respect of the sales of gold and jewellery and purchase of showcases for the brand **HK** H.K. JEWELRY that are made with companies in which certain Directors have interests, such transactions constituted continuing connected transactions (the "Continuing Connected Transactions") under the GEM Listing Rules.

On 30 December 2015, Golden HK Jewellery (Shenzhen) Company Limited* ("Golden HK Jewellery"), a wholly owned subsidiary of the Company, entered into the Master Agreement I, Master Agreement II, Master Agreement III and Master Agreement IV with Hangzhou Baidi Jewellery Company Limited* ("Baidi Jewellery"), Shenzhen City Zhong Chuang Union Investment Company Limited* ("Zhong Chuang"), Shenzhen Didi Jewellery Culture Development Company Limited* ("Didi Culture") and Hangzhou Didi Commercial Showcases Company Limited* ("Didi Showcases"). The aforementioned continuing connected transactions will expire on 31 December 2018.

On 31 December 2015, Shenzhen Yihua Jewellery Company Limited* ("Shenzhen Yihua"), a substantial shareholder of the Company, and Golden HK Jewellery entered into the framework leasing agreement (the "Framework Leasing Agreement"), pursuant to which Shenzhen Yihua as the lessor has agreed to lease the office premises owned by Shenzhen Yihua to Golden HK Jewellery as the lessee for the purpose of Golden HK Jewellery conducting its daily operation.

* For identification purpose only

購買股份或債券之安排

除已於上文披露外，年內本公司、其控股公司或其任何附屬公司概無訂立任何安排致使董事可透過購買本公司或任何其他法團之股份或債券而獲得利益。

董事於持續關連交易之利益

本集團之持續關連交易主要為與若干董事擁有權益之公司就銷售黃金及珠寶產品及購買**HK**香港珠寶品牌之展櫃而作出之交易，有關交易根據GEM上市規則構成持續關連交易(「持續關連交易」)。

於二零一五年十二月三十日，本公司全資附屬公司金香港珠寶(深圳)有限公司(「金香港珠寶」)，分別與杭州百迪珠寶有限公司(「百迪珠寶」)、深圳市中創聯合投資有限公司(「中創」)、深圳迪迪珠寶文化發展有限公司(「迪迪文化」)及杭州迪迪商業展具有限公司(「迪迪展具」)訂立總協議I、總協議II、總協議III及總協議IV，上述持續關連交易將於二零一八年十二月三十一日屆滿。

於二零一五年十二月三十一日，本公司主要股東深圳市藝華珠寶首飾股份有限公司(「深圳藝華」)與金香港珠寶訂立框架租賃協議(「框架租賃協議」)，據此，深圳藝華(作為出租人)同意出租其擁有之寫字樓物業予金香港珠寶(作為承租人)用於日常運營。

* 僅供識別

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS 董事於持續關連交易之利益(續)

(Continued)

Transactions		交易		
Name of counterparties	Nature of transactions	(a) Date of Agreement (b) Terms (a) 協議日期 (b) 期限	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
交易方名稱	交易性質			
(I) Hangzhou Baidi Jewellery Company Limited ("Baidi Jewellery") (Note 2) 杭州百迪珠寶有限公司(「百迪珠寶」) (附註2)	Sales of gold and jewellery products 銷售黃金及珠寶產品	Master Agreement I (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 總協議I (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	-	217
(II) Shenzhen City Zhong Chuang Union Investment Company Limited ("Zhong Chuang") (Note 1) 深圳市中創聯合投資有限公司 (「中創」)(附註1)	Sales of gold and jewellery products 銷售黃金及珠寶產品	Master Agreement II (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 總協議II (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	-	-

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS (Continued) 董事於持續關連交易之利益(續)

Name of counterparties	Nature of transactions	(a) Date of Agreement (b) Terms (a) 協議日期 (b) 期限	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
交易方名稱	交易性質			
(III) Shenzhen Didi Jewellery Culture Development Company Limited ("Didi Culture") (Note 2) 深圳迪迪珠寶文化發展有限公司(「迪迪文化」)(附註2)	Purchase of packaging materials for the jewellery products 購買珠寶產品之包裝材料	Master Agreement III (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 總協議III (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	–	29
(IV) Hangzhou Didi Commercial Showcases Company Limited ("Didi Showcases") (Note 2) 杭州迪迪商業展具有限公司(「迪迪展具」)(附註2)	Purchase of showcases for the brand H.K. JEWELRY 購買香港珠寶品牌之展櫃	Master Agreement IV (a) 30 December 2015 (b) 1 January 2016 – 31 December 2018 總協議IV (a) 二零一五年十二月三十日 (b) 二零一六年一月一日至二零一八年十二月三十一日	224	124
(V) Shenzhen Yihua Jewellery Company Limited ("Shenzhen Yihua") (Note 3) 深圳市藝華珠寶首飾股份有限公司(「深圳藝華」)(附註3)	Operating lease charges on land and building 土地及樓宇經營租賃費用	Framework Leasing Agreement (a) 31 December 2015 (b) 1 January 2015 – 31 December 2017 框架租賃協議 (a) 二零一五年十二月三十一日 (b) 二零一五年一月一日至二零一七年十二月三十一日	2,386	2,252

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS (Continued)

Relationship between Connected Parties

Notes:

- (1) Zhong Chuang is owned as to 81% by the brother of Ms. Li Xia. Accordingly, Zhong Chuang is an associate of Ms. Li Xia, and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules.
- (2) Baidi Jewellery, Didi Culture and Didi Showcases is respectively owned as to 90%, 100% and 100% by Hangzhou Didi Investment Joint Stock Company Limited, which in turn is owned as to 90% by Mr. Lin Di's father. Therefore, each of Baidi Jewellery, Didi Packaging and Didi Showcases is an associate of Mr. Lin Di, and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. Mr. Lin Di resigned as an executive Director on 30 October 2015.
- (3) Shenzhen Yihua is a substantial shareholder of the Company holding approximately 26.30% of the issued share capital of the Company as at 31 December 2015 and is owned as to approximately 75% by Mr. Chong Yu Ping. Mr. Chong Yu Ping was appointed as an executive Director on 17 February 2016.

Therefore, transactions under Master Agreement (I) to (IV) above constitute Continuing Connected Transactions of this Company under Chapter 20 of the GEM Listing Rules.

The above Continuing Connected Transactions under the Master Agreement (I) to (IV) and the Framework Leasing Agreement are subject to various annual cap amounts disclosed in the Company's announcement dated 30 December 2015. Capitalised terms used in this section shall have the same meanings as those defined in the above announcement unless specified otherwise.

董事於持續關連交易之利益(續)

與關連方之關係

附註：

- (1) 中創由李霞女士之胞兄持有81%權益。因此，中創為李霞女士之聯繫人，故根據GEM上市規則第二十章，其為本公司之關連人士。
- (2) 百迪珠寶、迪迪文化及迪迪展具分別由杭州迪迪投資股份有限公司擁有90%、100%及100%權益，而杭州迪迪投資股份有限公司則由林迪先生父親擁有90%權益。因此，百迪珠寶、迪迪包裝及迪迪展具均為林迪先生之聯繫人，故根據GEM上市規則第二十章，其為本公司之關連人士。林迪先生於二零一五年十月三十日辭任執行董事。
- (3) 深圳藝華為本公司之主要股東，持有本公司於二零一五年十二月三十一日已發行股本約26.30%，並由莊儒平先生持有約75%股權。莊儒平先生於二零一六年二月十七日獲委任為執行董事。

因此，根據GEM上市規則第二十章，上述總協議(I)至(IV)項下之交易構成本公司之持續關連交易。

誠如本公司於二零一五年十二月三十日之公告所披露，上述總協議(I)至(IV)及框架租賃協議項下持續關連交易各自訂有年度上限。除另有說明外，本節所用詞彙與上述公告所界定者具有相同涵義。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTINUING CONNECTED TRANSACTIONS *(Continued)*

Opinion of the Independent Non-executive Directors

All the Continuing Connected Transactions above have been reviewed by the Company's independent non-executive Directors who have confirmed that: (i) the terms and conditions of each of the Continuing Connected Transactions are on normal commercial terms that are fair and reasonable so far as the independent shareholders are concerned; (ii) the respective proposed annual caps for the Continuing Connected Transactions for the three years ending 31 December 2018 are fair and reasonable so far as the independent shareholders are concerned; and (iii) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and in the interest of the Company and the shareholders as a whole.

Opinion of the Auditor

The Company's Auditor was engaged to report on the Group's Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group above in accordance with Chapter 20 of the GEM Listing Rules. The Auditor has reported to the Directors that the above Continuing Connected Transactions: (1) have received the approval of the Board; (2) are in accordance with the pricing policies of the Company; (3) have been carried out in accordance with the relevant provisions of the agreements governing the transactions; and (4) have not exceeded the relevant annual caps.

董事於持續關連交易之利益(續)

獨立非執行董事之意見

本公司獨立非執行董事已審閱上文列載的所有持續關連交易並確認：(i)各持續關連交易之條款及條件乃按一般商業條款訂立，就獨立股東而言實屬公平合理；(ii)截至二零一八年十二月三十一日止三個年度各自之持續關連交易建議年度上限，就獨立股東而言乃屬公平合理；及(iii)持續關連交易乃於本集團一般及日常業務過程中進行，符合本公司及股東之整體利益。

核數師之意見

本公司核數師受託根據香港鑒證業務準則第3000號「歷史財務資料審計或審閱以外之鑒證工作」並參考香港會計師公會頒佈之實務說明第740號「關於香港上市規則項下持續關連交易之核數師函件」就本集團之持續關連交易作出匯報。核數師已出具無保留意見函件，當中列載其對本集團根據GEM上市規則第二十章所披露上述持續關連交易之發現及總結。就上述持續關連交易，核數師已向董事報告：(1)已取得董事會批准；(2)符合本公司價格政策；(3)乃根據交易規管協議之相關條文而進行；及(4)並無超出相關年度上限。

DIRECTORS' REPORT

董事會報告

OTHER CONNECTED AND RELATED PARTY TRANSACTIONS

其他關連方及關聯方交易

Name of counterparty	Nature of transactions	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
交易方名稱	交易性質		
- Excel Technology International (Hong Kong) Limited ("Excel HK") (Note 1)	Professional fee received 已收專業費用	36,668	29,063
- 志鴻科技國際(香港)有限公司(「志鴻香港」)(附註1)	Professional fee paid 已付專業費用	12,055	7,812
	Purchase of complementary hardware and software 購買配套硬件及軟件	12,014	1,281
	Administration expenses reimbursements (Net paid) 行政開支補償(已付淨額)	1,440	960
- Shenzhen Yihua (Note 2)	Sales of Gold and Jewellery Products 銷售黃金及珠寶產品	105	-
- 深圳藝華(附註2)			

Note:

- (1) Excel HK has become an associate since 27 May 2015 and is ultimately 50% owned by Ms. Zee Chan Mei Chu, Peggy, a director of the Company's subsidiaries.
- (2) Shenzhen Yihua is a substantial shareholder of the Company holding approximately 26.30% of the issued share capital of the Company as at 31 December 2015 and is owned as to approximately 75% by Mr. Chong Yu Ping. Mr. Chong Yu Ping was appointed as an executive Director on 17 February 2016.

附註：

- (1) 志鴻香港自二零一五年五月二十七日起成為聯營公司，並由本公司附屬公司董事徐陳美珠女士最終擁有50%權益。
- (2) 深圳藝華為本公司之主要股東，持有本公司於二零一五年十二月三十一日已發行股本約26.30%，並由莊儒平先生持有約75%股權。莊儒平先生於二零一六年二月十七日獲委任為執行董事。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

At 31 December 2017, none of the Directors, the management shareholders or their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause significant competition with the business of the Group.

董事於競爭性業務之權益

於二零一七年十二月三十一日，董事、管理層股東或彼等各自之聯繫人士(定義見GEM上市規則)概無於足以或可能與本集團業務構成重大競爭之業務中擁有任何權益。

PERMITTED INDEMNITY PROVISION

At no time during the year and up to the date of this report, there was or is any permitted indemnity provision being force for the benefit of any directors of the Company (whether made by the Company or otherwise) or of its associated company (made by the Company).

獲准許的彌償條文

於本年度內及其後截至本報告日期為止任何時間，概未曾有或現有任何生效的獲准許彌償條文惠及本公司或其關聯公司的任何董事(不論是否本公司訂立)。

DIRECTORS' REPORT

董事會報告

CONFIRMATION OF INDEPENDENCE

All the Directors do not have any financial, business, family or other material/relevant relationship with each other.

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all Independent Non-executive Directors are considered to be independent.

AUDIT COMMITTEE

The Company established an Audit Committee on 11 August 2000 with written terms of reference in accordance with Rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee currently comprise three members – Mr. Lam Tin Faat, Ms. Lu Haina and Ms. Na Xin, all of whom are Independent Non-executive Directors. Mr. Lam Tin Faat is the chairman of the Audit Committee. The Audit Committee's principal duties are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee met on a quarterly basis during the year ended 31 December 2017.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this annual report.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 12 to 24.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Grant Thornton Hong Kong Limited as the auditor of the Company.

On behalf of the Board

Mr. CHONG Yu Ping
Chairman

Hong Kong
19 March 2017

獨立性確認書

全體董事彼此之間並無任何財務、業務、家族或其他實質／相關聯繫。

本公司確認，已遵照GEM上市規則第5.09條，接獲本公司各獨立非執行董事之獨立性年度確認書，因此所有獨立非執行董事均被視為獨立人士。

審計委員會

根據GEM上市規則第5.28條至第5.29條之規定，本公司已於二零零零年八月十一日成立審計委員會，並以書面制定其職權範圍。審計委員會現由三位獨立非執行董事林天發先生、陸海娜女士及那昕女士所組成。林天發先生為審計委員會之主席。審計委員會之主要工作為檢討與監督本集團之財務報告流程以及內部監控程序。截至二零一七年十二月三十一日止年度內，審計委員會已按季度舉行會議。

足夠公眾持股量

根據本公司公開可取得資料及據董事所知，於本年報日期，本公司已發行股本總數至少25%由公眾持有。

企業管治

本公司致力設立良好之企業管治。有關本公司採納之企業管治常規詳情載於第12頁至第24頁之企業管治報告內。

核數師

應屆股東週年大會上將提呈有關重新委聘致同(香港)會計師事務所有限公司為本公司核數師之決議案。

代表董事會

莊儒平先生
主席

香港
二零一七年三月十九日

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. CHONG Yu Ping, also known as Mr. Zhuang Ruping (Age 51)

Chairman

Mr. Chong is the Chairman of the Company, who is responsible for leading the work of the Board and setting operation direction and investment strategies for the Company. Mr. Chong has over 20 years of relevant experience in the jewellery and investment industry. Prior to joining the Company, Mr. Chong has been appointed as the general manager and executive Director of a private company, Shenzhen Yihua Jewellery Limited* and from 2011 to present, he is the director and legal representative of Shenzhen Yihua Jewellery Limited, a company which is a substantial shareholder of the Company as disclosed under the section headed "Substantial Shareholders" in the Directors' Report included herein. Mr. Chong was appointed as an executive Director and as the Chairman of the Company on 17 February 2016.

Ms. LI Xia (Age 44)

Chief Executive Officer

Ms. Li is the Chief Executive Officer of the Company, who is responsible for the corporate planning and business development of the Company. Ms. Li served in Shanghai Shengqiu Investment Development Limited*, and was appointed as executive vice president with her experience and strength in jewellery industry. Ms. Li was responsible for administration and human resource management, marketing operations and brand promotion. With her leadership, the company achieved a healthy growth. At the same time, Ms. Li also served as the special-commissioned jewellery operating adviser for Baidi Jewellery to lead the company to achieve excellent results, which made her the veteran in the jewellery business. Ms. Li graduated from Central Luzon State University, Republic of the Philippines with a degree of Bachelor of Science in Business Administration. Ms. Li has been an Executive Director of the Group since 3 July 2012. During the year ended 31 December 2015, Ms. Li was the Chairman and as the Chief Executive Officer of the Company. And Ms. Li resigned as the Chairman of the Company on 17 February 2016.

* For identification purpose only

執行董事

莊儒平先生(51歲)

主席

莊先生為本公司的主席，負責領導董事會工作、設定本公司的業務方向並制定本公司的投資策略。莊先生於珠寶及投資行業擁有逾20年相關經驗。於加入本公司前，莊先生擔任私人公司深圳市藝華珠寶首飾有限公司的總經理兼執行董事，且自二零一一年起至今，彼為深圳市藝華珠寶首飾有限公司(誠如本年報所載董事會報告「主要股東」一節所披露，該公司為本公司的主要股東)的董事兼法人代表。莊先生於二零一六年二月十七日獲委任為本公司的執行董事兼主席。

李霞女士(44歲)

行政總裁

李女士為本公司的行政總裁，負責本公司的企業策劃及業務拓展工作。李女士曾受聘於上海盛久投資發展有限公司，鑒於其於珠寶行業的經驗和優勢，被公司任命為常務副總，負責公司的行政人事、市場營運、品牌推廣，使該公司得以健康向上發展。於此同時還兼任百迪珠寶的特聘珠寶營運顧問，帶領公司取得優異業績，堪稱珠寶業資深人士。李女士於菲律賓中呂宋國立大學取得工商管理學士學位。李女士於二零一二年七月三日獲委任為本集團執行董事。於截至二零一五年十二月三十一日止年度，李女士為本公司主席兼任行政總裁一職。於二零一六年二月十七日，李女士辭任本公司主席。

* 僅供識別

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

EXECUTIVE DIRECTORS *(Continued)*

Mr. CHEN Yin (Age 36)

Mr. Chen is an entrepreneur in the Mainland China, who held senior positions in various private companies principally engaged in luxury goods trading business. Mr. Chen obtained the Diploma of Graduate Gemologist, Diploma of Diamonds and Diploma of Colored Stones from the Gemological Institute of America ("GIA"). Mr. Chen has been as an Executive Director of the Group since 3 July 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Tin Faat (Age 42)

Mr. Lam holds a bachelor degree of business administration from The Chinese University of Hong Kong. He has more than 10 years of experience in financial audit, accounting and financial management. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom and a member of the Institute of Chartered Accountants in England and Wales. Mr. Lam is also the sole proprietor of TF Lam & Company, a CPA practice in Hong Kong, and a director of Top Team Secretary Limited. Mr. Lam has been an independent non-executive Director of the Group since 3 July 2012.

Ms. LU Haina (Age 39)

Ms. Lu possesses over 8 years of experience in education in relation to jewellery design. From 2005 to 2010, Ms. Lu taught at the school of jewellery of Guangzhou Panyu Polytechnic. Since 2010, Ms. Lu has been teaching at Guangzhou International Economics College. Ms. Lu graduated from Sun Yat-Sen University with a bachelor degree in arts and design and is a holder of a jewellery designer certificate verified by All-China Federation of Industry & Commerce. Ms. Lu has been an independent Non-executive Director of the Group since 3 July 2012.

執行董事(續)

陳寅先生(36歲)

陳先生為中國內地之企業家，彼曾於多間主要從事奢侈品貿易業務之私人公司出任高級職位。陳先生考獲美國寶石學院(「GIA」)頒發的研究寶石學家文憑、鑽石文憑及有色寶石文憑。陳先生於二零一二年七月三日獲委任為本集團執行董事。

獨立非執行董事

林天發先生(42歲)

林先生於香港中文大學獲取工商管理學學士學位。彼於財務核數、會計及財務管理方面積逾十年經驗。彼為香港會計師公會及英國特許公認會計師公會之資深會員，同時亦為英格蘭及威爾斯特許會計師公會會員。林先生亦為香港執業會計師林天發會計師行之獨資經營者及濶誠秘書有限公司之董事。林先生於二零一二年七月三日獲委任為本集團獨立非執行董事。

陸海娜女士(39歲)

陸女士於珠寶設計教學方面擁有逾八年豐富經驗。於二零零五年至二零一零年期間，陸女士於廣州番禺職業技術學院珠寶學院任教。自二零一零年起，陸女士一直於廣州涉外經濟職業技術學院任教。陸女士於中山大學獲得藝術設計專業學士學位，並持有獲中華全國工商業聯合會認證之首飾設計師證書。陸女士於二零一二年七月三日獲委任為本集團獨立非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Ms. NA Xin (Age 37)

Ms. Na was the chief operating officer of 深圳市九華彩珠寶首飾有限公司 (Shenzhen Jiuha Cai Jewellery Co., Ltd), a company specialized in qualified jewellery trading business from 2008 to 2012. She was an assistant to chief executive officer for Little Sheep North America (Vancouver) Branch (小肥羊北美(溫哥華)分公司) from 2012 to 2013. Ms. Na completed her Bachelor's degree in English in the School of Humanities and Social Science of Beijing Jiaotong University (formerly known as the Northern Jiaotong University) in 2003. Ms. Na has been an independent non-executive Director of the Group since 1 December 2014.

SENIOR MANAGEMENT

Mr. ZHAO Zhipeng (Age 34)

Authorised Representative, Compliance Officer and Company Secretary

Mr. Zhao was appointed as the authorised representative, compliance officer and company secretary of the Company on 30 June 2015. Mr. Zhao is currently a registered solicitor of the High Court of Hong Kong. He holds the Bachelor degree of laws (PRC Law) awarded by The East China University of Political Science and Law. He was awarded the Master of Laws in Common Law by The Chinese University of Hong Kong in 2007 and the Juris Doctor degree by the City University of Hong Kong in 2009 respectively. Further, in 2011, Mr. Zhao was awarded the Postgraduate Certificate in Laws by the City University of Hong Kong.

獨立非執行董事(續)

那昕女士(37歲)

那女士曾於二零零八年至二零一二年擔任深圳市九華彩珠寶首飾有限公司(專門從事合資格珠寶貿易業務的公司)的營運總監。彼曾於二零一二年至二零一三年擔任小肥羊北美(溫哥華)分公司的行政總裁助理。那女士於二零零三年完成北京交通大學(前稱北方交通大學)人文社會科學院英語學士學位。那女士於二零一四年十二月一日獲委任為本集團獨立非執行董事。

高級管理人員

趙志鵬先生(34歲)

授權代表、監察主任及公司秘書

趙先生已於二零一五年六月三十日獲委任為本公司授權代表、監察主任及公司秘書。趙先生目前為香港高等法院註冊律師。彼持有華東政法大學頒發的法學學士學位(中國法)，分別於二零零七年獲香港中文大學頒發普通法學碩士學位，及於二零零九年獲香港城市大學頒發法律博士學位。後於二零一一年，趙先生獲香港城市大學頒發法學專業證書。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

**To the members of Yu Tak International Holdings Limited
(incorporated in Bermuda with limited liability)**

OPINION

We have audited the consolidated financial statements of Yu Tak International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 52 to 148, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**致御德國際控股有限公司全體股東
(於百慕達註冊成立之有限公司)**

意見

本核數師(以下簡稱「我們」)已審計載於第52頁至第148頁之御德國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日之綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現和綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。根據該等準則，我們的責任於本報告「核數師就審計綜合財務報表承擔的責任」一節中詳述。根據香港會計師公會的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審計憑證足夠及能適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A key audit matter is identified in our audit as follows:

Determination of the net realisable values of inventories

Refer to summary of significant accounting policies in note 2.8, critical accounting estimates and judgements in note 4 and note 19 to the consolidated financial statements.

Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2017, the Group had inventories of HK\$36,064,000 (2016: HK\$37,994,000).</p> <p>Inventories are carried at the lower of cost and net realisable value. In determining net realisable value, estimates and judgements are applied by the management to assess the estimated selling price in the ordinary course of business less the applicable selling expenses.</p> <p>We considered this as key audit matter due to (i) the significance of inventories (representing 32% of total assets (2016: 25%)) and the involvement of management judgement and estimation.</p>	<p>Our audit procedures to the determination of net realisable values of inventories included the following:</p> <ul style="list-style-type: none">• reviewed and analysed the ageing of inventories;• tested, on a sample basis, on selling price of inventories being sold subsequent to the reporting date; and• assessed the sufficiency of allowance where the estimated net realisable value is lower than the cost.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。我們在審計整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

我們在審計中識別的關鍵審計事項概述如下：

釐定存貨的可變現淨值

茲提述綜合財務報表內附註2.8的主要會計政策概要、附註4的重要會計估計及判斷，以及附註19。

關鍵審計事項	我們的審計中如何回應此等關鍵事項
<p>於二零一七年十二月三十一日，貴集團持有存貨36,064,000港元(二零一六年：37,994,000港元)。</p> <p>存貨按成本及可變現淨值中較低者列賬。釐定可變現淨值時，管理層運用估計及判斷評估在日常業務過程中的預計售價，減去適用的銷售開支。</p> <p>我們認為此乃關鍵審計事項，因為(i)存貨的重大性(佔總資產32%(二零一六年：25%))以及涉及管理層的判斷和估計。</p>	<p>我們在釐定存貨的可變現淨值時所用的審計程序包括以下各項：</p> <ul style="list-style-type: none">• 審閱及分析存貨過往的賬齡；• 以抽樣方式測試於報告期末後出售的存貨之售價；及• 評估當估計可變現淨值低於成本時撥備是否充足。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2017 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

其他資料

董事需對其他資料負責。其他資料包括 貴公司二零一七年年報所載的全部資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式的鑑證結論。

在我們審計綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何事項需要報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平地反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助董事負責監督 貴集團的財務報告程序。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是根據百慕達一九八一年公司法第90條僅向閣下(作為整體)報告，除此以外本報告別無其他目的。我們不會就本報告的內容對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期他們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

核數師就審計綜合財務報表承擔的責任(續)

- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審計憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審計憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審計憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團的審計工作。我們須為我們的審計意見承擔全部責任。

我們與審計委員會就(其中包括)審計工作的計劃範圍及時間安排及重大審計發現，包括我們於審計期間識別出內部監控的任何重大缺陷進行溝通。

我們亦向審計委員會提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with the Audit Committee, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Grant Thornton Hong Kong Limited

Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

19 March 2018

Kwok Siu Kwan, Sylvia
Practising Certificate No.: P06616

核數師就審計綜合財務報表承擔的責任(續)

從與審計委員會溝通的事項中，我們決定哪些事項對本期綜合財務報表的審計工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

致同(香港)會計師事務所有限公司

執業會計師
香港
灣仔
軒尼詩道28號
12樓

二零一八年三月十九日

郭笑君
執業證書編號：P06616

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	
Revenue	收入	5	110,174	104,367
Other income	其他收益	7	3,896	2,280
Change in inventories	存貨變動		(1,930)	(5,912)
Purchase of goods	購買貨品		(25,286)	(13,656)
Professional fee	專業費用		(12,652)	(17,723)
Employee benefits expense	僱員福利開支	12	(71,176)	(85,520)
Depreciation	折舊		(424)	(2,312)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損		–	(2,891)
Other expenses	其他開支	14	(30,993)	(22,671)
Finance costs	財務費用	8	–	(176)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	34	12,359	–
Share of results of an associate	應佔一間聯營公司業績	16	5,532	(1,651)
Loss before income tax	扣除所得稅前虧損	9	(10,500)	(45,865)
Income tax expense	所得稅開支	10	(371)	(390)
Loss for the year	年內虧損		(10,871)	(46,255)
Other comprehensive income/ (expense) for the year	年內其他全面收益/(開支)			
<i>Items that will be reclassified subsequently to profit or loss:</i>	其後將會重新分類至 損益表之項目:			
Exchange gain/(loss) on translation of financial statements of foreign operations	換算海外業務財務報表的 匯兌收益/(虧損)		2,621	(2,351)
Release of exchange reserve upon disposal of a subsidiary	於出售一間附屬公司時 解除外匯儲備		(4,055)	–
			(1,434)	(2,351)
Total comprehensive expense for the year	年內全面開支總額		(12,305)	(48,606)
Loss for the year attributable to:	應佔年內虧損:			
Owners of the Company	本公司擁有人		(10,387)	(42,763)
Non-controlling interests	非控股權益		(484)	(3,492)
			(10,871)	(46,255)
Total comprehensive expense attributable to:	應佔全面開支總額:			
Owners of the Company	本公司擁有人		(11,821)	(45,247)
Non-controlling interests	非控股權益		(484)	(3,359)
			(12,305)	(48,606)
Loss per share for loss attributable to owners of the Company during the year	本公司擁有人年內 應佔每股虧損			
Basic and diluted	基本及攤薄	11	(HK0.87 cents港仙)	(HK3.60 cents港仙)

The notes on pages 58 to 148 are an integral part of these consolidated financial statements.

第58頁至第148頁的附註構成此等綜合財務報表的一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

as at 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	1,156	913
Interest in an associate	於一間聯營公司之權益	16	7,522	17,494
Available-for-sale financial assets	可供出售金融資產	17	-	-
Development costs	開發成本	18	-	-
			8,678	18,407
Current assets	流動資產			
Inventories	存貨	19	36,064	37,994
Amounts due from customers for contract work	應收客戶合約工程款項	20	7,707	4,767
Trade receivables	應收貿易賬款	21	13,507	14,016
Other receivables, deposits and prepayments	其他應收款項、按金及 預付款項	22	20,814	17,072
Cash and bank balances	現金及銀行存款	23	25,675	24,507
			103,767	98,356
Assets classified as held for sale	分類為持作出售之資產	24	-	33,027
			103,767	131,383
Current liabilities	流動負債			
Trade payables	應付貿易賬款	25	1,140	566
Other payables and accrued charges	其他應付款項及預提費用	26	21,934	25,311
Amounts due to customers for contract work	應付客戶合約工程款項	20	2,217	3,015
Amounts due to directors	應付董事款項	27	20,538	15,046
Tax payable	應付稅項		77	-
			45,906	43,938
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產 直接相關之負債	24	-	30,401
			45,906	74,339
Net current assets	流動資產淨值		57,861	57,044
Total assets less current liabilities	資產總額減流動負債		66,539	75,451
Net assets	資產淨值		66,539	75,451

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

as at 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
EQUITY	股權			
Share capital	股本	28	118,846	118,846
Reserves	儲備		(50,568)	(38,747)
Equity attributable to owners of the Company	本公司擁有人應佔股權		68,278	80,099
Non-controlling interests	非控股權益		(1,739)	(4,648)
Total equity	股權總額		66,539	75,451

Li Xia
Director

李霞
董事

Chong Yu Ping
Director

莊儒平
董事

The notes on pages 58 to 148 are an integral part of these consolidated financial statements.

第58頁至第148頁的附註構成此等綜合財務報表的一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests		Total equity
		Share capital	Share premium*	Exchange reserve*	Capital reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
		股本	股份溢價*	外匯儲備*	資本儲備*	累計虧損*	總額	非控股權益	股權總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2016	於二零一六年一月一日的結餘	118,846	220,438	1,326	-	(214,988)	125,622	(1,565)	124,057
Acquisition of additional interests in a subsidiary (note 35)	購入一家附屬公司的額外權益(附註35)	-	-	-	(276)	-	(276)	276	-
Transactions with owners	與擁有人交易	-	-	-	(276)	-	(276)	276	-
Loss for the year	年內虧損	-	-	-	-	(42,763)	(42,763)	(3,492)	(46,255)
Other comprehensive (expense)/income:	其他全面(開支)/收入:								
- Exchange (loss)/gain on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌(虧損)/收益	-	-	(2,484)	-	-	(2,484)	133	(2,351)
Total comprehensive expense for the year	年內全面開支總額	-	-	(2,484)	-	(42,763)	(45,247)	(3,359)	(48,606)
Balance at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日的結餘	118,846	220,438	(1,158)	(276)	(257,751)	80,099	(4,648)	75,451
Disposal of a subsidiary (note 34)	出售一間附屬公司(附註34)	-	-	-	-	-	-	3,393	3,393
Transactions with owners	與擁有人交易	-	-	-	-	-	-	3,393	3,393
Loss for the year	年內虧損	-	-	-	-	(10,387)	(10,387)	(484)	(10,871)
Other comprehensive income/(expense):	其他全面收益/(開支):								
- Exchange gain on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌收益	-	-	2,621	-	-	2,621	-	2,621
- Release of exchange reserve upon disposal of a subsidiary	- 出售一間附屬公司時解除匯兌儲備	-	-	(4,055)	-	-	(4,055)	-	(4,055)
Total comprehensive expense for the year	年內全面開支總額	-	-	(1,434)	-	(10,387)	(11,821)	(484)	(12,305)
Balance at 31 December 2017	於二零一七年十二月三十一日的結餘	118,846	220,438	(2,592)	(276)	(268,138)	68,278	(1,739)	66,539

* These reserves accounts comprise the Group's deficit of HK\$50,568,000 (2016: HK\$38,747,000) in the consolidated statement of financial position.

* 該等儲備賬構成綜合財務狀況表內本集團虧絀為50,568,000港元(二零一六年: 38,747,000港元)。

The notes on pages 58 to 148 are an integral part of these consolidated financial statements.

第58頁至第148頁的附註構成此等綜合財務報表的一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note	2017	2016
	附註	二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Cash flows from operating activities			
Loss before income tax		(10,500)	(45,865)
Adjustments for:			
Depreciation		424	2,312
Net loss on disposal/written off of property, plant and equipment		–	4
Impairment loss on property, plant and equipment		–	2,891
Interest expenses		–	176
Write-down of inventories to net realisable value		–	1,312
Interest income		(107)	(786)
Impairment loss on other receivables		10,514	–
Gain on disposal of a subsidiary	34	(12,359)	–
Reversal of write-down of inventories		–	(2,117)
Share of results of an associate		(5,532)	1,651
Exchange (gain)/loss		(2,032)	2,168
Operating loss before working capital changes		(19,592)	(38,254)
Decrease in inventories		4,489	4,394
(Increase)/Decrease in amounts due from customers for contract work		(2,237)	3,576
Decrease/(Increase) in trade receivables		1,802	(1,350)
Increase in other receivables, deposits and prepayments		(21,450)	(1,169)
Decrease in trade payables		(19,658)	(2,304)
Increase in other payables and accrued charges		22,383	6,636
Increase in amounts due to customers for contract work		2,405	187
Cash used in operations		(31,858)	(28,284)
Interest paid		–	(1,306)
Income tax paid		(294)	(1,234)
<i>Net cash used in operating activities</i>		(32,152)	(30,824)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note	2017	2016
	附註	二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Cash flows from investing activities			
Decrease in interest in an associate		15,504	20,906
Purchase of property, plant and equipment		(615)	(773)
Repayment of loans to an investee company		4,480	2,896
Proceeds from disposal of property, plant and equipment		-	7
Proceeds from disposal of a subsidiary, net of cash disposed of	34	1,007	-
Interest received		107	3,031
<i>Net cash generated from investing activities</i>		20,483	26,067
Cash flows from financing activities			
Repayment of other borrowings		-	(2,896)
Advances from directors		5,492	5,494
<i>Net cash generated from financing activities</i>		5,492	2,598
Net decrease in cash and cash equivalents		(6,177)	(2,159)
Cash and cash equivalents at 1 January		30,041	33,563
Effect on foreign exchange rate changes		1,811	(1,363)
Cash and cash equivalents at 31 December, represented by cash and bank balances		25,675	30,041
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		25,675	24,507
Cash and bank balances attributable to assets classified as held for sale (note 24)		-	5,534
		25,675	30,041

The notes on pages 58 to 148 are an integral part of these consolidated financial statements.

第58頁至第148頁的附註構成此等綜合財務報表的一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. GENERAL INFORMATION

Yu Tak International Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is Hong Kong. The Company’s shares are listed on the GEM of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the development, sale and implementation of enterprise software, provision of systems integration and professional services, design and sales of gold and jewellery products and investment holding. The Group’s operations are based in Hong Kong and the People’s Republic of China (the “PRC”).

The financial statements for the year ended 31 December 2017 were approved for issue by the board of directors on 19 March 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong.

The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).

1. 一般資料

御德國際控股有限公司(「本公司»)乃一間於百慕達註冊成立之獲豁免有限公司，其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而主要營業地點為香港。本公司股份在香港聯合交易所有限公司GEM上市。

本公司及其附屬公司(統稱「本集團»)主要從事企業軟件開發、銷售及實施，提供系統集成及專業服務，設計及銷售黃金及珠寶產品，以及投資控股。本集團之營運基地為香港及中華人民共和國(「中國»)。

截至二零一七年十二月三十一日止年度之財務報表已經由董事會於二零一八年三月十九日批准刊發。

2. 主要會計政策概要

2.1 編製基準

該等年度綜合財務報表乃根據香港會計師公會(「香港會計師公會»)頒佈之香港財務報告準則(「香港財務報告準則」)(包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則»)及詮釋)及香港公認會計準則編製。

財務報表亦符合香港公司條例之適用披露規定，並包括香港聯合交易所有限公司GEM證券上市規則(「GEM上市規則»)之適用披露規定。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis, except for financial instruments classified as available-for-sale which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. 主要會計政策概要(續)

2.1 編製基準(續)

編製該等綜合財務報表所採用之主要會計政策概述如下。除另有註明外，該等政策已於所有呈報年度內貫徹應用。採納新訂立及經修訂香港財務報告準則及對本集團財務報表的影響(如有)於附註3披露。

財務報表乃按歷史成本基準編製，惟分類作可供出售的金融工具按公允價值呈列除外。計量基礎詳述於以下會計政策。

謹請注意，編製綜合財務報表時須作出會計估計及假設。雖然此等估計乃按管理層對現存事件及行動之最佳理解及判斷而作出，惟實際結果最終可能有別於該等估計。涉及高度判斷或複雜性、或其假設及估計對綜合財務報表而言有重大影響之範疇已於附註4披露。

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for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

2. 主要會計政策概要(續)

2.2 綜合之基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。

附屬公司為本集團所控制之實體。倘本集團因參與一家實體之業務而可或有權獲得可變回報，且有能透過對實體行使權力而影響其回報，則對該實體擁有控制權。於評估本集團是否對該實體擁有控制權時，僅考慮(由本集團及其他方所持有)與該實體相關之實質權利。

自本集團獲得控制權之日起至其不再控制附屬公司之日止，本集團將該附屬公司之收益及開支計入綜合財務報表。

集團內公司間之交易、結餘及未變現之交易收益及虧損會於編製綜合財務報表時予以抵銷。倘集團內公司間資產出售之未變現虧損於綜合賬目時撥回，相關資產亦會從本集團角度進行減值測試。附屬公司財務報表之呈報數額在必要時已予調整，確保與本集團採納之會計政策一致。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2. 主要會計政策概要(續)

2.2 綜合之基準(續)

非控股權益指非由本公司直接或間接應佔附屬公司的權益，而本集團未與該等權益的持有人協定任何附加條款，以使本集團整體上對該等權益產生符合金融負債定義的合約責任。

非控股權益在綜合財務狀況表的股權中呈列，且獨立於本公司擁有人應佔股權。非控股權益應佔本集團業績於綜合損益及其他全面收益表賬面呈列，作為年內溢利或虧損總額及全面收入總額在非控股權益與本公司擁有人之間的分配結果。

本集團於附屬公司之權益變動倘無導致失去控制權，則按權益交易入賬，並於綜合權益內對控股權益金額進行調整以反映相關權益之變動，但不會對商譽進行調整，同時也不會確認損益。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained earnings).

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost includes directly attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. 主要會計政策概要(續)

2.2 綜合之基準(續)

倘本集團失去對一間附屬公司之控制權，則於出售時之損益乃以下列兩項之差額計算：(i)所收取代價之公允價值及任何保留權益公允價值之總和，及(ii)附屬公司先前之資產(包括商譽)及負債及任何非控股權益之賬面值。倘附屬公司之若干資產按重估金額或公允價值計算，而相關累計損益已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本公司已直接出售相關資產之方式入賬(即重新分類至損益或直接轉撥至保留盈利)。

於本公司之財務狀況表中，附屬公司按成本減去減值虧損列賬，除非該附屬公司為持作待售或包括於出售組別內。成本包括直接應佔的投資成本。

附屬公司之業績由本公司按呈報期末之已收及應收股息列賬。所有股息(無論是從被投資方收購前或收購後的溢利中獲取)均在本公司損益表確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment acquired.

2. 主要會計政策概要(續)

2.3 聯營公司

聯營公司指本集團對該實體之管理有重大影響力，即有參與被投資方財務及經營決策之權力，但並非控制或共同控制該等政策。

在綜合財務報表中於一間聯營公司之投資初步按成本確認，其後採用權益法入賬。收購成本超過本集團應佔聯營公司於收購當日確認可識別資產、負債及或然負債之公允淨值之任何數額乃確認為商譽。商譽計入投資賬面值，並作為投資一部分作出減值評估。收購成本乃按交換當日所給予資產、所產生或承擔之負債及本集團發行之股本工具之公允價值總額，加投資直接應佔之任何成本計算。重新評估後，本集團應佔可識別資產、負債及或然負債之公允淨值超過收購成本之任何數額，則會即時於損益確認，以釐定本集團於收購投資期間應佔聯營公司之溢利或虧損。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates (Continued)

Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year. The Group's other comprehensive income for the year includes its share of the associate's other comprehensive income for the year.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Where unrealised losses on assets sales between the Group and its associate are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

2. 主要會計政策概要(續)

2.3 聯營公司(續)

按照權益法，本集團於聯營公司之權益按成本列賬，並就本集團應佔聯營公司於收購後之資產淨值之變動減任何已識別減值虧損作出調整，惟分類為持有作出售(或計入分類為持有作出售之出售組合)則除外。年內損益包括本集團年內應佔聯營公司收購後之稅後業績，包括有關年內已確認於聯營公司之投資之任何減值虧損。年內本集團之其他全面收益包括其應佔之年內聯營公司之其他全面收益。

本集團及其聯營公司間交易所產生之未變現收益抵銷，只限於本集團於有關聯營公司之權益。而本集團及其聯營公司間之未變現資產銷售虧損按權益會計法撥回，本集團亦會對有關資產作減值測試。倘聯營公司所用會計政策並非為本集團於同類情況下就類似交易及事件所採用者，則於本集團為應用權益法而使用聯營公司財務報表時，會作出必要調整，致令該聯營公司之會計政策與本集團所用者一致。

當本集團應佔聯營公司虧損等同或超過其所佔聯營公司權益時，本集團不會再進一步確認虧損，除非本集團須承擔法定或推定責任或已代聯營公司付款。就此而言，本集團於聯營公司之權益為按照權益法計算之投資賬面值，連同實質上構成本集團於該聯營公司之投資淨額其中部分之本集團長期權益。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates (Continued)

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. At each reporting date, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (higher of value in use and fair value less costs of disposal) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate. The difference between any proceeds from disposing of the interest in the associate and the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

2. 主要會計政策概要(續)

2.3 聯營公司(續)

經應用權益法後，本集團決定是否必須就本集團於聯營公司之投資確認任何額外減值虧損。於各呈報日期，本集團釐定是否有任何客觀證據顯示聯營公司投資出現減值。倘出現有關跡象，本集團將計算減值金額，即聯營公司可收回金額(使用價值及公允價值之較高者減出售成本)及其賬面值之間之差額。釐定投資之使用價值時，本集團估計其應佔之預期由聯營公司產生之估計日後現金流量之現值，包括經營聯營公司產生之現金流量及最終出售投資之所得款項。

本集團自其不再對聯營公司行使重大影響力當日起終止使用權益法。出售聯營公司權益之任何所得款項與終止使用權益法當日投資賬面值之間之差額，均於損益內確認。此外，本集團會將以往在有關該聯營公司之其他全面收益中確認之所有金額入賬，且基準與有關聯營公司直接處置相關資產或負債所需基準相同。因此，倘以往由被投資方於其他全面收益中確認之收益或虧損將於處置相關資產或負債時重新分類至損益，則實體於終止使用權益法時，將該收益或虧損自權益重新分類至損益(作為重新分類調整)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation

The financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and retranslation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

2. 主要會計政策概要(續)

2.4 外幣換算

該等財務報表以港元呈列，而港元亦為本公司之功能貨幣。

於綜合實體之個別財務報表內，外幣交易按交易當日之匯率換算為個別實體之功能貨幣。於呈報日期，以外幣計值的貨幣資產及負債均按呈報期末的適用匯率換算。因結算該等交易及重新換算於呈報期末的貨幣資產及負債而產生的匯兌盈虧在損益表確認。

按公允價值入賬且以外幣結算之非貨幣項目，乃按釐定公允價值當日之適用匯率換算。以外幣及按歷史成本計算之非貨幣項目不進行重新換算。

於綜合財務報表內，所有原以本集團呈報貨幣以外貨幣呈列之海外業務的個別財務報表，均已折算為港元。資產及負債已按呈報日期之收市匯率換算為港元。收入及開支已按交易當日之匯率，或呈報期之平均匯率換算為港元，惟前提是匯率並無重大波動。因此而產生之任何差額均於其他全面收益確認，並於股權內之外匯儲備獨立累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on property, plant and equipment is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvements	20 to 33 $\frac{1}{3}$ %
Computer and office equipment	10 to 50%
Furniture and fixtures	20 to 25%
Motor vehicles	25 to 30%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

2. 主要會計政策概要(續)

2.4 外幣換算(續)

於出售海外業務(即出售本集團於海外業務的全部權益,或涉及失去對包含海外業務的附屬公司之控制權,或失去對包含海外業務的聯營公司之重大影響力的出售)時,所有就本集團應佔的業務已累計的匯兌差額會重新分類為損益。先前歸屬於非控股權益的任何匯兌差額會被剔除確認,但不會被重新分類為損益。

2.5 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。成本包括收購資產直接應佔之開支。

物業、廠房及設備之折舊乃按其估計可使用年期撇銷其成本減其剩餘價值,以直線法撥備,所按年率如下:

租賃物業裝修	20至33 $\frac{1}{3}$ %
電腦及辦公室設備	10至50%
傢俬及裝置	20至25%
汽車	25至30%

資產的剩餘價值、折舊方法及可使用年期於各呈報日期予以檢討,並於適當時作出調整。

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for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

2.6 Development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is an intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and

2. 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

廢棄或出售產生之收益或虧損，按銷售所得款項與資產賬面值之差額釐定，並於損益表內確認。

其後成本僅會於與該項目有關的未來經濟效益可能流入本集團，並且該項目的成本能可靠計算的情況下計入資產的賬面值，或確認為一項獨立資產(倘適用)。已更換零件的賬面值會被剔除確認。所有其他成本，例如維修保養費用，則於成本產生的財政期間計入損益表。

2.6 開發成本

與研究活動有關的成本於產生時於損益表支銷。開發活動的直接應佔成本在符合下列確認條件的情況下乃確認為無形資產：

- (i) 展示潛在產品之技術於內部使用或銷售上屬可行；
- (ii) 有完成此無形資產及可供使用或銷售之意圖；
- (iii) 本集團展示有能力使用或銷售此無形資產；
- (iv) 此無形資產將可透過內部使用或銷售帶來經濟利益；
- (v) 具備充足技術、財政及其他資源以助完成項目；及

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綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Development costs (Continued)

- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets.

All other development costs are expensed as incurred.

After initial recognition of the development costs as intangible assets, the intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful life is applied:

Capitalised development costs	3 years
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The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets are tested for impairment as described below in note 2.18.

2. 主要會計政策概要(續)

2.6 開發成本(續)

- (vi) 此無形資產所屬之開支能可靠地計量。

直接成本包括開發活動產生的僱員成本，連同適當部份之相關間接成本。符合上述確認條件的開發內部研發軟件、產品或專門知識的成本乃確認為無形資產。

所有其他開發成本於產生時支銷。

於初步確認開發成本為無形資產後，具有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期的無形資產乃以直線法於其估計可使用年期計提攤銷，並於無形資產可供使用時開始攤銷。下列可使用年期會予以應用：

已資本化的開發成本	3年
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資產的攤銷方法及可使用年期會於各呈報日期予以檢討及在適用情況下予以調整。

如下文附註2.18所述，無形資產會進行減值測試。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets

The Group's accounting policies for financial assets other than interests in subsidiaries and associates are set out below.

Financial assets are classified into the following categories:

- loans and receivables
- available-for-sale financial assets

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is determined and recognised based on the classification of the financial asset.

2. 主要會計政策概要(續)

2.7 金融資產

本集團就除於附屬公司及聯營公司之權益以外之金融資產之會計政策載於下文。

金融資產可分為以下類別：

- 借款及應收款項
- 可供出售金融資產

管理層視乎收購金融資產之目的，於初步確認時將其金融資產分類，並於許可及適當情況下，於各呈報日期重新評估其分類。

所有金融資產僅於本集團訂立工具之合約條款時確認。金融資產於初步確認時按公允價值計算，而並非按公允價值計入損益表之投資，則加上直接應佔交易成本計算。

當收取投資現金流量之權利屆滿或已轉讓及所有權之絕大部份風險和回報已轉移時，則剔除確認金融資產。

於各呈報日期檢討金融資產以評估是否存在減值之客觀憑證。倘存有任何該等憑證，則按金融資產之分類釐定及確認減值虧損。

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綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(ii) Available-for-sale financial assets

Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are classified as available-for-sale financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the investment revaluation reserve in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

2. 主要會計政策概要(續)

2.7 金融資產(續)

(i) 借款及應收款項

借款及應收款項指無活躍市場報價，且具有固定或可釐定付款之非衍生金融資產。借款及應收款項其後按以實際利率法計算之攤銷成本減任何減值虧損計量。計算攤銷成本時已計及收購時任何折讓或溢價，並包括屬實際利率及交易成本一部份之費用。

(ii) 可供出售金融資產

不符合列入任何其他金融資產類別之非衍生金融資產，乃分類為可供出售金融資產。

所有該類別之金融資產其後按公允價值計量。公允價值變動所產生之收益或虧損（不包括任何股息及利息收益），除貨幣資產之減值虧損（見下文政策）及外匯收益及虧損外，於其他全面收益確認，並於權益內之投資重估儲備獨立累計，直至該金融資產被撤銷確認之時終止，此時，累計收益或虧損自權益重新分類至損益。利用實際利率法計算之利息於損益表中確認。

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for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

(ii) Available-for-sale financial assets (Continued)

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of each reporting date subsequent to initial recognition.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

2. 主要會計政策概要(續)

2.7 金融資產(續)

(ii) 可供出售金融資產(續)

以外幣計值之可供出售貨幣資產之公允價值以有關外幣釐定，並以呈報日期之現貨匯價換算。因資產攤銷成本變動以致換算差額產生之公允價值變動在損益表確認，而其他變動則在其他全面收益確認。

可供出售之股本證券投資如無在活躍市場報價，而其公允價值不能可靠計量，以及所掛鈎之衍生工具須透過交付該等無報價股本工具之方式結算，則於初步確認後之各呈報日期結束時按成本值減任何已識別減值虧損計量。

金融資產之減值

於各呈報日期，除按公允價值計入損益表的金融資產外，其他金融資產均需進行檢討，以釐定是否出現任何客觀之減值憑證。

個別金融資產減值之客觀憑證包括就本集團所知涉及以下一項或多項虧損事項之可觀察數據：

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綜合財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

Impairment of financial assets (Continued)

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- The disappearance of an active market for that financial asset because of financial difficulties; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

2. 主要會計政策概要(續)

2.7 金融資產(續)

金融資產之減值(續)

- 債務人出現重大財政困難；
- 違反合約，如不支付或拖欠利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；
- 因出現財政困難導致該金融資產失去活躍市場能力；及
- 股本工具投資之公允價值大幅或長期下跌至低於其成本。

組金融資產之虧損事項包括顯示該組金融資產之估計未來現金流量出現可計量之減少之可觀察數據。該可觀察數據包括但不限於組別內債務人之還款狀況，以及與組別內資產拖欠情況有關之國家或地方經濟狀況之不利變動。

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for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

Impairment of financial assets (Continued)

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) *Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the profit or loss of the period in which the impairment occurs.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

2. 主要會計政策概要(續)

2.7 金融資產(續)

金融資產之減值(續)

若出現任何該等證據，則按以下方式計量及確認減值虧損：

(i) *按攤銷成本列賬之金融資產*

倘有客觀證據顯示按攤銷成本列賬之借款及應收款項出現減值虧損，則減值虧損按該金融資產賬面值與以其原實際利率(即首次確認時計算之實際利率)貼現之估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。減值虧損於減值期間於損益表中確認。

倘若其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則需撥回過往確認之減值虧損，惟於撥回減值當日，不得導致金融資產賬面值超過未確認減值之原本應計之攤銷成本。撥回金額於撥回發生期間在損益表中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) *Available-for-sale financial assets carried at fair value*

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in the profit or loss. The subsequent increase in fair value is recognised in other comprehensive income.

(iii) *Financial assets carried at cost*

For financial assets carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of the impairment losses is recognised in profit or loss of the period in which the impairment occurs and are not reversed in subsequent periods.

2. 主要會計政策概要(續)

2.7 金融資產(續)

金融資產之減值(續)

(ii) *按公允價值入賬之可供出售金融資產*

當可供出售金融資產公允價值減少並已於其他全面收益內確認及於權益累計，及有客觀證據顯示該資產出現減值時，其金額需自權益中移除，並於損益表中確認為減值虧損。該金額按該資產之收購成本(扣除任何本金償還及攤銷)與現有公允價值之差額，減該資產先前已於損益表中確認之任何減值虧損計量。

就歸類為可供出售及按公允價值列賬之股本工具投資之撥回並不在損益表中確認。日後公允價值之增加將在其他全面收益中確認。

(iii) *以成本列值之金融資產*

就以成本列值之金融資產而言，減值虧損之金額按金融資產之賬面值與估計未來現金流量按同類金融資產之現行市場回報率貼現之現值之差額計量。減值虧損金額於減值產生期間於損益表中確認且於往後期間不會撥回。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) *Financial assets carried at cost (Continued)*

Impairment losses of financial assets other than trade and other receivables that are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of trade and other receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade and other receivables is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account in respect of that receivables are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

Impairment losses recognised in an interim period in respect of available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of an annual period, or in a subsequent period, the increase is recognised in other comprehensive income.

2. 主要會計政策概要(續)

2.7 金融資產(續)

金融資產之減值(續)

(iii) *以成本列值之金融資產(續)*

金融資產(如不屬按攤銷成本列賬之應收貿易賬款及其他應收款項)之減值虧損乃直接與相關資產撇銷。若應收貿易賬款及其他應收款項被認為有可能但並非不能收回，則屬應收款項呆賬之減值虧損記入撥備賬。若本集團相信應收貿易賬款及其他應收款項之可收回性極低，則被認為不可收回之金額乃直接自應收貿易賬款及其他應收款項撇銷，並撥回就該應收款項記入撥備賬之任何金額。先前計入撥備賬之金額如在其後收回，則從撥備賬撥回。撥備賬之其他變動及其後收回先前已撇銷之金額，均直接在損益表確認。

於中期就按成本列賬之可供出售股本證券及無報價股本證券確認之減值虧損，不得於往後期間撥回。因此，倘可供出售股本證券之公允價值於餘下年度期間或其後期間增加，有關增加乃於其他全面收益確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Inventories

Inventories are carried at the lower of cost and net realisable value and are determined using the first in, first out method. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the applicable selling expenses.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

2.10 Financial liabilities

The Group's financial liabilities include trade payables, other payables and accrued charges and amounts due to directors.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 2.20).

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

2. 主要會計政策概要(續)

2.8 存貨

存貨以成本與可變現淨值兩者中之較低者列賬及採用先進先出法釐定。成本包括所有購貨成本及(如適用)將存貨運抵現時地點及達至現時環境所產生之其他成本。可變現淨值為日常業務過程中之估計售價減除產品相關銷售成本。

2.9 現金及現金等價物

現金及現金等價物包括銀行存款及現金。

2.10 金融負債

本集團之金融負債包括應付貿易賬款、其他應付款項及預提費用以及應付董事款項。

金融負債在本集團成為工具合約條文的訂約方時確認。所有與利息相關之支出均根據本集團之會計政策就借貸成本確認(見附註2.20)。

金融負債乃於有關負債承擔被解除或註銷或屆滿時終止確認。

當現有金融負債為同一貸款人以另一金融負債替代，而該項負債之條款與原有負債存在顯著差異，或現有負債之條款經大幅修訂時，該替代或修訂被視為終止確認原有負債及確認新負債，而各賬面值之差額於損益表內確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial liabilities (Continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Trade payables, other payables and accrued charges and amounts due to directors

They are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.11 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

2. 主要會計政策概要(續)

2.10 金融負債(續)

借貸

借貸最初按公允價值扣除已產生的交易成本確認。其後借貸按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間之任何差額於借貸期內使用實際利率法於損益表內確認。

除非本集團擁有無條件權利延遲至呈報期末後至少十二個月支付負債，否則借貸歸類為流動負債。

應付貿易賬款、其他應付款項及預提費用以及應付董事款項

彼等初步按公允價值確認，其後則使用實際利率法按攤銷成本計量。

2.11 已發出之財務擔保

財務擔保合約乃指簽發人(或擔保人)須因指定債務人未能按照債務工具之條款償還到期債務致使持有人蒙受損失時，向持有人償付指定款項之合約。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial guarantees issued (Continued)

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within other payables and accrued charges. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount, i.e. the amount initially recognised less accumulated amortisation, where appropriate.

2. 主要會計政策概要(續)

2.11 已發出之財務擔保(續)

當本集團發出一份財務擔保時，該擔保的公允價值在初始被確認為其他應付款項及預提費用內之遞延收入。因發出財務擔保後收取或可收取之代價，將按照本集團應用於該資產類別的政策入賬。當沒有收到或可收代價時，任何在初步確認為遞延收入之數額，即以即時支出於損益表內列賬。

初始列賬為遞延收入之擔保數額按擔保年期於損益表內攤銷為所發出的財務擔保收入。此外，如擔保持有人可能向本集團行使該擔保及預期將會對本集團之索償超出現時之賬面值(即初始列賬數額扣減累計攤銷)(如適用)，則確認撥備。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges as the lessee

Where the Group has the right to use assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策概要(續)

2.12 租賃

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串付款之安排，包括一項交易或一連串交易之該項安排屬於或包含一項租賃。該項決定乃基於安排內容之實質評估而作出，而不論該項安排是否採取租賃之法律形式。

(i) 租予本集團之資產之分類

對於本集團以租賃持有的資產，倘租賃使所有權的絕大部份風險及回報轉移至本集團，有關資產歸類為以融資租賃持有；倘租賃不會使所有權的絕大部份風險及回報轉移至本集團，則歸類為經營租賃。

(ii) 作為承租人之經營租賃支出

如本集團有權使用經營租賃持有之資產，則根據租賃期內作出之付款，以直線法於租賃期內在損益表中列支；惟其他基準能更清楚地反映租賃資產所產生收益之時間模式除外。租賃所涉及之租金優惠均在損益表中確認為淨租賃款項總額之組成部份。或然租金於產生之會計期間內自損益表扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.14 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2. 主要會計政策概要(續)

2.13 撥備

若本集團目前因過往發生之事件承擔責任(法定或推定)，並可能須流出經濟利益以履行責任，而責任金額能作出可靠估計，則確認撥備。若貨幣時值重大，則撥備按預期履行責任支出之現值列賬。

所有撥備均於各呈報日期檢討，並予調整以反映現時之最佳估計。

2.14 股本

普通股乃分類為股權。股本以已發行股份面值釐定，之前先扣除與發行股份相關的任何交易成本(扣除任何相關所得稅優惠)，惟有關成本須為股權交易直接應佔之遞增成本。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Non-current assets, or disposal groups held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered principally through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not depreciated.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods, rendering of services and the use by others of the Group's assets yielding interest and franchise income. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

2. 主要會計政策概要(續)

2.15 非流動資產，或持作出售的出售組合

主要透過銷售而非透過持續使用而極有可能收回的非流動資產或出售組合(包括資產及負債)被分類為持作出售。緊接被歸類為持作出售前，出售組合的資產或組成部分根據本集團會計政策重新計量。因此，資產或出售組合通常按其賬面值及公允價值減出售成本兩者中的較低者計量。出售組合的任何減值虧損首先分配至商譽，然後按比例分配至剩餘資產及負債，惟根據本集團會計政策持續計量的存貨、金融資產、遞延稅項資產、僱員福利資產、投資物業或生物資產不會獲分配任何虧損。初始歸類為持作出售的減值虧損及其後重新計量的收益及虧損於損益中確認。任何超過累計減值虧損的收益均不予確認。

物業、廠房及設備一經歸類為持作出售則不予以折舊。

2.16 收入確認

收入包括就銷售貨品、提供服務及其他人士使用本集團產生利息的資產以及特許加盟收入而已收或應收代價之公允價值。如經濟效益可能流入本集團，而收入及成本(如適用)能可靠計量，則收入作如下確認：

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Revenue recognition (Continued)

Jewellery Products

Sales of gold and jewellery products are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Franchise income is recognised on an accrual basis over the terms of the relevant franchise agreements.

IT Products and Services

In circumstances where the contract price can be allocated on a reasonable basis to the elements of resale of hardware and software products, sales of software licences and development of customised software, revenue is recognised as described below:

- (a) Revenue from resale of complementary hardware and software products is recognised when the goods are delivered and title has been passed;
- (b) Revenue from sales of software licences is recognised upon delivery of the software products to the customer when there are no post-delivery obligations;
- (c) Revenue from the development of customised software is recognised by reference to the stage of completion of the customisation work (including post-delivery service support) at the end of the reporting period, as measured by reference to services performed to date as a percentage of total services to be performed in relation to the design and prescribed services as agreed with customers to be rendered in different phases.

2. 主要會計政策概要(續)

2.16 收入確認(續)

珠寶產品

銷售黃金及珠寶產品於所有權之絕大部份風險及回報已轉移至客戶時確認。有關情況通常指貨品已付運且客戶已接納貨品時。

特許加盟收入於相關特許加盟協議之期限按應計基準確認。

資訊科技產品及服務

若合約價可以合理基準以轉售軟、硬件產品、銷售軟件授權使用證及開發自訂軟件等內容分配，則收入按以下方法確認：

- (a) 轉售配套軟硬件產品收入於交付貨物及所有權轉移時確認；
- (b) 軟件授權使用證銷售之收入在交付軟件產品予客戶且無任何交付後責任時確認；
- (c) 開發客戶自訂軟件之收入乃參考自訂工作之完成階段(包括交付後提供服務支援)於呈報期末確認，並參考迄今所提供之服務相對按與客戶協定將於不同階段提供之設計及指定服務所提供之服務總計之百分比計算。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Revenue recognition (Continued)

IT Products and Services (Continued)

Where the contract price cannot be allocated into individual elements of the sales of enterprise software products and custom development, revenue from sales of enterprise software products and custom development is recognised by reference to the stage of completion of the sales of enterprise software products and custom development (including post-delivery service support) at the end of the reporting period, as measured by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction.

Maintenance service income is recognised on a straight-line basis over the terms of the relevant maintenance service contracts. Where maintenance service income is not separately invoiced, it is unbundled from licence fees and deferred and recognised on a straight-line basis over the period of the relevant maintenance service contracts.

Systems integration income and professional services income are recognised when the services are provided.

Others

Consultancy and management fee income in respect of technical support, consultancy services and management services are recognised in the period when services are rendered.

Interest income is recognised on an accrued basis using the effective interest method.

2. 主要會計政策概要(續)

2.16 收入確認(續)

資訊科技產品及服務(續)

倘合約價未能以銷售企業軟件產品及開發自訂軟件等相應內容分配，則來自銷售企業軟件產品及自訂產品開發之收入，乃按呈報期末銷售企業軟件及自訂產品開發(包括交付後服務支援)之完成階段確認，並參考迄今所產生之成本相對交易將產生之總成本計算。

保養服務收益以直線法按相關保養服務合約期限確認。倘保養服務收益並非獨立開具發票，則不會計算授權使用證費用，惟按有關保養服務合約年期以直線法遞延及確認收益。

系統集成之收益及專業服務之收益於提供服務時確認。

其他

有關技術支援、顧問服務以及管理服務之顧問及管理費收益於服務提供期間確認。

利息收益採用實際利率法按應計基準確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Contract for services

Costs of rendering of services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The accounting policy for contract revenue and further details on the percentage of completion are set out in note 2.16.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract for services in progress at the reporting date are recorded in the consolidated statement of financial position at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented as "Amounts due from customers for contract work" (an asset) or "Amounts due to customers for contract work" (a liability). Progress billings not yet paid by customers are included in the consolidated statement of financial position under "Trade receivables".

2. 主要會計政策概要(續)

2.17 服務合約

提供服務之成本包括提供服務直接產生之勞工成本及其他人員成本及相關間接成本。

提供服務之收入按交易完工百分比確認，惟收入及所產生之成本及達致完成之估計成本須能可靠計量。合約收入會計政策及完工百分比詳情載列於附註2.16。

若合約總成本可能高於合約總收入，則預期虧損即時確認為開支。

於呈報日期進行之服務合約按產生成本淨額加已確認溢利減已確認虧損及進度賬單金額於綜合財務狀況表內呈列為「應收客戶合約工程款項」(資產)或「應付客戶合約工程款項」(負債)。客戶尚未支付進度賬單金額呈列於綜合財務狀況表內「應收貿易賬款」項下。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Development costs;
- Property, plant and equipment; and
- The Company's interests in subsidiaries

They are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

2. 主要會計政策概要(續)

2.18 非金融資產減值

下列資產須進行減值測試：

- 發展成本；
- 物業、廠房及設備；及
- 本公司於附屬公司之權益

彼等於有跡象顯示無法收回賬面值時進行減值測試。

減值虧損乃按資產賬面值超過其可收回金額之差額，即時確認為開支。可收回金額為反映市況之公允價值減出售成本與使用價值較高者計算。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對貨幣時值及有關資產特有風險之評估。

就評估減值而言，倘不產生現金流入之資產大部份獨立於其他資產，其可收回金額則按可獨立產生現金流入的最小資產組合(即現金產生單位)釐定。因此，部份資產個別進行減值測試，另有部份則按現金產生單位測試。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Impairment of non-financial assets

(Continued)

Impairment losses recognised for cash-generating units is charged pro rata to the assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2. 主要會計政策概要(續)

2.18 非金融資產減值(續)

除資產賬面值將不會調減至低於其個別公允價值減出售成本或使用價值(如可釐定)外，就現金產生單位確認之減值虧損按比例自該現金產生單位之資產扣除。

商譽減值虧損不會於其後期間撥回。至於其他資產，倘用於釐定資產可收回金額之估計出現有利變動時，減值虧損將予以撥回，但撥回額不得超過如先前不確認減值，並計提折舊或攤銷得出之賬面值。

於中期期間就商譽確認之減值虧損不會在其後期間撥回。縱使在中期相關之財政年度完結時評估減值，此時即使不用確認虧損或確認較少虧損，亦不會撥回減值虧損。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund ("MPF") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC, Malaysia and Singapore are required to participate in the central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme.

Contributions are recognised as an expense in profit or loss as employees rendered services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2. 主要會計政策概要(續)

2.19 僱員福利

退休福利

本集團透過定額供款計劃向僱員提供退休福利。

本集團按照強制性公積金(「強積金」)計劃條例，為其所有合資格參與強積金計劃的僱員設立界定供款之退休福利計劃。供款乃按僱員基本薪金之百分比計算。

本集團於中國、馬來西亞及新加坡營運之附屬公司旗下僱員須參與由有關地方市政府營運之中央退休金計劃。該等附屬公司須按薪金成本若干百分比對退休計劃供款。

於僱員在年內提供服務時，供款乃於損益表確認為開支。本集團根據此等計劃之責任僅限於應付之固定百分比供款。

短期僱員福利

僱員之年假於僱員有權享用時確認，並已就僱員截至呈報日期按照其所提供服務而預計應取得的年假而作計提。

不能累積之帶薪假(如病假及產假期)，於休假時方可確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences.

2. 主要會計政策概要(續)

2.20 借貸成本

就收購、建造或生產任何合資格資產而產生之借貸成本(扣除就特別借貸的暫時投資所賺取的任何投資收益)，於資產完成及達致其擬定用途所需期間內撥充資本。合資格資產是指需要頗長時間方可達致其擬定用途或出售的資產。其他借貸成本於產生時支銷。

2.21 所得稅之會計方法

所得稅包括即期及遞延稅項。

即期所得稅資產及／或負債包括本期或過往呈報期間(且於呈報日期尚未支付)，向稅務當局繳納稅款之責任或來自稅務當局之索償，乃根據年內應課稅溢利，按有關財政期間之適用稅率及稅務法例計算。即期稅項資產或負債之所有變動均列入損益表的稅項開支。

遞延稅項乃按於呈報期末資產及負債於財務報表之賬面值與其各自之稅基的暫時差額以負債法計算。遞延稅務負債一般就所有應課稅暫時差額確認入賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Accounting for income taxes (Continued)

Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly to equity.

2. 主要會計政策概要(續)

2.21 所得稅之會計方法(續)

倘可能出現應課稅溢利(包括現有應課稅暫時差額)用作抵銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免，則就所有可扣減暫時差額、可結轉之可動用稅項虧損以及其他未動用稅項抵免確認為遞延稅項資產。

倘商譽或初步確認(業務合併除外)某項交易中的資產及負債產生之暫時差額對應課稅及會計損益並無影響，則不會確認遞延稅項資產及負債。

於附屬公司及聯營公司之投資所產生的應課稅暫時差額須確認為遞延稅項負債，惟本集團可控制暫時差額之撥回及不會在短期內撥回之暫時差額則除外。

遞延稅項不予貼現，並按預期應用於償還負債或變現資產期間之稅率計算，惟稅率於呈報日期須為已頒佈或實際上已頒佈。

遞延稅項資產或負債之變動乃於損益表中確認，倘與於其他全面收益或股權直接扣除或計入之項目有關，則遞延稅項資產或負債之變動於其他全面收益或直接於股權中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Accounting for income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if:

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if:

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. 主要會計政策概要(續)

2.21 所得稅之會計方法(續)

即期稅項資產及即期稅項負債僅在以下情況下方會以淨額呈列：

- (a) 本集團依法有強制執行權可以將已確認金額對銷；及
- (b) 有意按淨額基準結算，或同時變現資產及結清負債。

本集團僅在以下情況下方會以淨額呈列遞延稅項資產及遞延稅項負債：

- (a) 該實體依法有強制執行權可以將即期稅項資產與即期稅項負債對銷；及
- (b) 遞延稅項資產與遞延稅項負債與同一課稅機關就以下任何一項徵收之所得稅有關：
 - (i) 同一應課稅實體；或
 - (ii) 有意於各未來期間（而預期在有關期間內將結清或收回大額的遞延稅項負債或資產）以淨額基準結算即期稅項負債與資產或同時變現資產及結清負債的不同應課稅實體。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- Jewellery Products: design and sales of gold and jewellery products
- IT Products and Services: provision of information technology services and sales of products, including enterprise software products, systems integration and professional services

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs.

No asymmetrical allocations have been applied to reportable segments.

2. 主要會計政策概要(續)

2.22 分部呈報

本集團定期向執行董事報告內部財務資料，以供彼等就本集團業務組成部份的資源分配作決定，以及供彼等檢討該等組成部份的表現，而本集團則根據該等資料劃分經營分部及編製分部資料。向執行董事報告之內部財務資料的業務組成部份，乃依照本集團之主要產品及服務類別釐定。

本集團已識別出下列可呈報分部：

- 珠寶產品：設計及銷售黃金及珠寶產品
- 資訊科技產品及服務：提供資訊科技服務及銷售產品，包括企業軟件產品、系統集成及專業服務

由於各產品及服務類別所需資源及市場方針不同，故各經營分部乃個別管理。所有分部間轉讓乃按公平價格進行。

根據香港財務報告準則第8號，本集團用作呈報分部業績的計量政策與其根據香港財務報告準則編製的財務報表所用者相同。

對可呈報分部並無非對稱分配。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person, or a close member of that person's family and if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. 主要會計政策概要(續)

2.23 關聯方

就該等綜合財務報表而言，倘符合以下情況，以下人士則被視為與本集團有關聯：

- (a) 倘符合以下情況，即該人士或該人士之近親家庭成員與本集團有關聯：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理層成員。
- (b) 倘符合下列任何條件，即該實體與本集團有關聯：
 - (i) 該實體與本集團屬同一集團之成員公司。
 - (ii) 一實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (iii) 該實體與本集團均為同一第三方之合營企業。
 - (iv) 一實體為第三方實體之合營企業而另一實體則為該第三方實體之聯營公司。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Related parties (Continued)

- (b) the party is an entity and if any of the following conditions applies: (Continued)
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 主要會計政策概要(續)

2.23 關聯方(續)

- (b) 倘符合下列任何條件，即該實體與本集團有關聯：(續)
- (v) 該實體為本集團或與本集團有關聯之實體就僱員福利設立之離職後僱員福利計劃。
- (vi) 該實體受(a)所識別人士控制或共同控制。
- (vii) (a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
- (viii) 向本集團或本集團母公司提供主要管理層人員服務的實體或其為一份子的集團下的任何成員。

該某人士之近親家庭成員指彼等與該實體交易時預期可影響該人士或受該人士影響之家庭成員。

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3. ADOPTION OF NEW AND AMENDED HKFRSs

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2017

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12 included in Annual Improvements to HKFRSs 2014-2016 Cycle	Disclosure of Interests in Other Entities

Other than as noted below, the adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Amendments to HKAS 7 "Disclosure Initiative"

The amendments require an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. A reconciliation between the opening and closing balances of liabilities arising from financing activities is set out in note 36. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 36, the application of these amendments has had no impact on the Group's consolidated financial statements.

3 採納新訂立及經修訂香港財務報告準則

於二零一七年一月一日或其後開始之年度期間生效之新訂立及經修訂香港財務報告準則

於本年度，本集團首次應用以下由香港會計師公會頒佈，與本集團的營運有關及適用於本集團於二零一七年一月一日開始之年度期間的綜合財務報表之新訂立及經修訂香港財務報告準則：

香港會計準則第7號之修訂	披露計劃
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
計入二零一四年至二零一六年週期香港財務報告準則之年度改進的香港財務報告準則第12號之修訂	於其他實體的權益披露

除下文所述外，採納新訂及經修訂之香港財務報告準則對本期間及過往期間之業績及財務狀況的編製及呈列方法並無重大影響。

香港會計準則第7號之修訂：「披露計劃」

該等修訂要求實體提供披露資料，讓財務報表使用者能夠評估融資活動產生的負債變動，包括現金流量及非現金變動引發的變動，同時融資活動所產生負債年初與年末結餘的對賬載於附註36。與該等修訂的過渡性條文一致，本集團並無披露對上年度的比較資料。除額外披露外，應用該等修訂對本集團的綜合財務報表並無造成影響。

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綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ³
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ²
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ Effective date not yet determined

採納新訂立及經修訂香港財務報告準則(續)

已公佈但未生效之香港財務報告準則

於授權刊發此等綜合財務報表當日，若干新訂及經修訂香港財務報告準則經已頒佈但尚未生效，且並無被本集團提早採納。

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約之收入及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ³
香港財務報告準則第2號之修訂	以股份付款交易之分類及計量 ¹
香港財務報告準則第4號之修訂	與香港財務報告準則第4號保險合約一併採用的香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號之修訂	具有負補償之提前還款特點 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者及其聯營公司或合營公司出售或注入資產 ⁴
香港會計準則第28號之修訂	於聯營公司及合營公司之長期權益 ²
香港會計準則第40號之修訂	轉移投資物業 ¹
香港財務報告準則之修訂	二零一四年至二零一六年週期香港財務報告準則之年度改進 ¹
香港財務報告準則之修訂	二零一五年至二零一七年週期香港財務報告準則之年度改進 ²
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及墊付代價 ¹
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理之不確定性 ²

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一九年一月一日或之後開始之年度期間生效
- ³ 於二零二一年一月一日或之後開始之年度期間生效
- ⁴ 尚未釐定生效日期

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 9 "Financial instruments"

HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement". It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for the impairment of financial assets.

HKFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities' risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.

The directors have identified the following areas that are expected to be most impacted by the application of HKFRS 9:

- the classification and measurement of the Group's financial assets. The Group holds most financial assets to hold and collect the associated cash flows and is currently assessing the underlying types of cash flows to classify financial assets correctly. The directors expect a number of available-for-sale ("AFS") investments are likely to be measured at fair value through profit or loss as the cash flows are not solely payments of principal and interest.

3 採納新訂立及經修訂香港財務報告準則(續)

已公佈但未生效之香港財務報告準則(續)

董事預計，所有修訂將於修訂生效日期或之後開始之首個期間之本集團會計政策中獲採納。預期將會對本集團會計政策造成影響之新訂及經修訂香港財務報告準則之資料載列如下。其他新訂及經修訂香港財務報告準則預期不會對本集團綜合財務報表構成重大影響。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號將取代香港會計準則第39號「金融工具：確認及計量」。新準則對金融資產分類及計量原指引作出重大變動，並就金融資產減值引入「預期信貸虧損」模式。

香港財務報告準則第9號亦涵括要求採用對沖會計之新規定。新規定透過提高對沖項目及對沖工具之資格標準以及引入更具原則基準之方法評估對沖有效性，使對沖會計與實體之風險管理活動更緊密一致。

董事已識別以下預期因應用香港財務報告準則第9號而受影響最大之範疇：

- 本集團金融資產之分類和計量。本集團持有大部分金融資產以持有及收取相關現金流，並正在評估現金流之相關類型以正確分類金融資產。董事預計大部分可供出售（「可供出售」）投資可能按公允價值計入損益表計量，蓋因現金流並非僅用於支付本息。

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綜合財務報表附註

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3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 9 "Financial instruments" (Continued)

- the impairment of financial assets applying the expected credit loss model. For trade receivables, the Group applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing components.
- the measurement of equity investments at cost less impairment. All such investments will instead be measured at fair value with changes in fair value presented either in profit or loss or in other comprehensive income. To present changes in other comprehensive income requires making an irrevocable designation on initial recognition or at the date of transition to HKFRS 9. This will affect the Group's investment in unlisted equity securities (see note 17) of which the Group intends to hold beyond 1 January 2018. Currently, the Group is not intending to elect to present changes in the equity investment in other comprehensive income but will account for its equity investments at fair value through profit or loss.

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 and the related clarification to HKFRS 15 (hereinafter referred to as "HKFRS 15") presents new requirements for the recognition of revenue, replacing HKAS 18 "Revenue", HKAS 11 "Construction Contracts", and several revenue-related Interpretations. HKFRS 15 establishes a single comprehensive model that applies to contracts with customers and two approaches to recognising revenue; at a point in time or overtime. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

HKFRS 15 is effective for annual periods beginning on or after 1 January 2018. Based on the assessment completed to date, the Group has identified the following areas which are expected to be affected:

3 採納新訂立及經修訂香港財務報告準則(續)

已公佈但未生效之香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

- 應用預期信貸虧損模式之金融資產之減值。就應收貿易賬款而言，本集團採用簡化模式確認終身預期信貸虧損，蓋因該等項目並無重大融資成分。
- 以成本減去減值計量之權益投資之計量。所有該等投資將以公允價值計量，而公允價值變動於損益或其他全面收益中呈列。為呈列其他全面收益之變動，須於首次確認時或於過渡至香港財務報告準則第9號當日作出不可撤銷之指定。這將影響本集團於非上市股本證券之投資（見附註17），本集團擬持有有關投資至二零一八年一月一日之後。目前，本集團無意選擇於其他全面收益中呈列股本投資變動，而會將其股本投資按公允價值計入損益表入賬。

香港財務報告準則第15號「來自客戶合約之收入」

香港財務報告準則第15號及對香港財務報告準則第15號（下稱「香港財務報告準則第15號」）之相關澄清提出了收入確認之新規定，取代香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及若干與收入相關之詮釋。香港財務報告準則第15號建立適用於客戶合約之單一綜合模式及確認收益之兩種方法；以一個時點確認或以一段時間確認。該模型之特點是基於合約之五步交易分析，以確定是否確認收入以及確認收入之金額及時間。

香港財務報告準則第15號於二零一八年一月一日或之後開始之年度期間生效。根據迄今完成之評估，本集團已識別以下預期會受到影響之範疇：

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3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 15 "Revenue from Contracts with Customers" (Continued)

Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 2.16. Currently, revenue arising from provision of services is recognized over time, whereas revenue from sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when customer obtains control of the promised goods or services in the contract. HKFRS 15 identifies 3 situations in which control of the promised goods or services is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when transfer of control occurs. The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue.

3 採納新訂立及經修訂香港財務報告準則(續)

已公佈但未生效之香港財務報告準則(續)

香港財務報告準則第15號「來自客戶合約之收入」(續)

收入確認時間

本集團之收入確認政策於附註2.16披露。目前，提供服務產生之收入隨時間確認，而商品銷售收入一般在所有權之風險及報酬轉移給客戶時確認。

根據香港財務報告準則第15號，當客戶取得合約中承諾商品或服務之控制權時確認收入。香港財務報告準則第15號確定了三種承諾商品或服務之控制權被視為隨時間轉移之情況：

- (i) 當客戶在實體履約之同時取得及消費該實體履約所提供之利益；
- (ii) 當實體之履約創造或增強客戶在資產被創造或改良時就控制之資產(如在建工程)時；
- (iii) 當實體之履約並無創造一項可被實體用於替代用途之資產，並且實體具有就迄今為止已完成之履約部分獲得客戶付款之可執行權利。

倘合約條款及實體行為並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於某一時間點(即控制權轉移時)就銷售商品或服務確認收入。所有權之風險及回報之轉移僅為於釐定控制權轉移發生時將考慮之其中一項指標。本集團已評估新收入準則應不會對其確認收入之方式造成重大影響。

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for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 16 “Leases”

HKFRS 16 “Leases” will replace HKAS 17 and three related Interpretations.

As disclosed in note 2.12, currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into leases as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease, the lessee will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee would recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

3 採納新訂立及經修訂香港財務報告準則(續)

已公佈但未生效之香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號「租賃」將取代香港會計準則第17號及三項相關詮釋。

誠如附註2.12所披露，本集團現時將租賃分類為融資租賃和經營租賃，並且根據租賃之分類對租賃安排進行不同之會計處理。本集團作為出租人訂立租賃。

預期香港財務報告準則第16號將不會大幅影響出租人將其於租賃項下權利及義務入賬之方式。然而，採用香港財務報告準則第16號後，承租人將不再區分融資租賃及經營租賃。相反，受可行權益方法之規限，承租人將按與現有融資租賃會計處理方法類似之方法將所有租賃入賬，即於租賃開始日期，承租人將確認相應之「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債未償還結餘所產生之利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租賃所產生之租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產之租賃，於此情況下，租金開支將繼續於租期內按系統基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 16 "Leases" (Continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases of land and buildings which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 31, as at 31 December 2017, the Group's future minimum lease payments under non-cancellable operating leases amount to HK\$7,950,000 for land and buildings, the majority of which is payable between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt HKFRS 16 retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

3 採納新訂立及經修訂香港財務報告準則(續)

已公佈但未生效之香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號將主要影響本集團作為承租人就土地及樓宇租賃(現時分類為經營租賃)之會計處理方法。預期應用新會計模式將導致資產及負債均有所增加,及影響租賃期間於損益表內確認開支之時間。誠如附註31所披露,於二零一七年十二月三十一日,本集團於不可撤銷經營租賃項下就土地及樓宇之日後最低租賃付款為7,950,000港元,其中大部分須於報告日期後一至五年支付。因此,採用香港財務報告準則第16號後,若干該等款項或須確認為租賃負債,並附帶相應使用權資產。經考慮可行權宜方法之適用性及就現時與採用香港財務報告準則第16號期間已訂立或終止之任何租賃及貼現影響作出調整後,本集團將須進行更為詳細之分析以釐定於採用香港財務報告準則第16號時經營租賃承擔所產生之新資產及負債之金額。

香港財務報告準則第16號將於二零一九年一月一日或之後開始之年度期間生效。該準則提供不同之過渡選擇及可行權宜方法,包括融入先前評估之可行權宜方法,當中現有安排為(或包含)租賃。倘選擇此可行權宜方法,本集團僅將香港財務報告準則第16號對租賃之新定義應用於首次應用日期或之後訂立之合約。倘並無選擇可行權宜方法,本集團將須使用新定義重新評估其對哪些現有合約為(或包含)租賃而作之所有決定。視乎本集團是否選擇以追溯方式採納香港財務報告準則第16號,或遵從經修訂可追溯方式確認對首次應用當日權益期初結餘之累計效應調整,本集團未必需要重列因重新評估而引致任何會計變動之比較資料。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of property, plant and equipment

If circumstances indicate that the carrying amount of a long lived asset may not be recoverable, the asset may be considered “impaired” and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of Assets”. The carrying amounts of long lived assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts.

These assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. It is difficult to precisely estimate fair value less cost of disposal because quoted market prices for the Group’s assets are not readily available.

4. 重要會計估計及判斷

估計及判斷會根據過往經驗及其他因素(包括在現時環境下認為對未來事件之合理預期)持續進行評估。

本集團就未來作出估計及假設。根據其定義，由此得出之會計估計將甚少與相關實際結果等同。下文論述具有對下一財政年度內之資產及負債之賬面值造成重大調整之重大風險的有關估計及假設：

物業、廠房及設備之減值

倘情況顯示長期資產之賬面值可能無法收回，有關資產則可能會視為「減值」，並須根據香港會計準則第36號「資產減值」確認減值虧損。長期資產之賬面值會定期審閱，以評估可收回金額是否下跌至低於賬面值。

當事項或環境變動顯示資產之賬面值可能無法收回時，有關資產便會進行減值測試。如果出現下跌跡象，賬面值便會減至可收回金額。可收回金額乃以其公允價值減出售成本與使用價值兩者中之較高者計算。由於本集團難以獲得資產之公開市價，因此難以準確地估計公允價值減出售成本。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Impairment of property, plant and equipment

(Continued)

In determining the value in use, expected cash flows generated by the assets are discounted to their present value, which requires significant estimation relating to the level of sales volume, selling prices and the amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sales volume, selling prices and the amount of operating costs.

As at 31 December 2017, the carrying amount of property, plant and equipment was HK\$1,156,000 (2016: HK\$913,000) (note 14).

Impairment of receivables

The policy for the provision for impairment of receivables of the Group is based on the evaluation of collectability and ageing analysis of trade and other receivables. A considerable amount of estimation and judgement is required in assessing the ultimate realisation of these receivables, including their current creditworthiness, past collection history, financial condition and likelihood of collection. If the financial conditions of these parties were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance will be required. Following the identification of the doubtful debts, the Group's responsible personnel discusses with the relevant counterparties and reports to the management on the recoverability, impairment loss will be made for receivables that are unlikely to be collected.

As at 31 December 2017, the carrying amount of trade and other receivables was HK\$34,321,000 (2016: HK\$31,088,000). Details of trade receivables and other receivables are disclosed in note 21 and 22 respectively.

4. 重要會計估計及判斷(續)

物業、廠房及設備之減值(續)

在釐定使用價值時，該資產所產生之預計現金流量會貼現至其現值，因而需要對銷量水平、售價及經營成本等作出重大估計。本集團在釐定可收回金額之合理概約數額時會採用所有可取得之資料，包括根據合理及有依據之假設所作出之估計以及銷量、售價及經營成本之預測。

於二零一七年十二月三十一日，物業、廠房及設備之賬面值為1,156,000港元(二零一六年：913,000港元)(附註14)。

應收賬款減值

本集團之應收賬款減值撥備政策是根據應收貿易賬款及其他應收款項之可收回能力與賬齡分析而作出。在評估此等應收款項之最終變現時，須作出不少估計和判斷，包括各欠款人目前信用情況、過往還款記錄、財務狀況及收回之可能性。倘有關人士之財政狀況將會轉壞，導致其還款能力減損，便須作出額外撥備。於識別債務呆賬後，本集團負責人士與相關對手方磋商並向管理層報告可收回情況，倘若應收款項不大可能收回，則就其作出減值虧損。

於二零一七年十二月三十一日，應收貿易賬款及其他應收款項賬面值為34,321,000港元(二零一六年：31,088,000港元)。應收貿易賬款及其他應收款項詳情分別於附註21及22披露。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Net realisable value of inventories

Net realisable value of inventories of jewellery products is the estimated selling price in the ordinary course of business, less selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle.

Management reassesses these estimates at the end of each reporting period. As at 31 December 2017, the carrying amount of inventories was HK\$36,064,000 (2016: HK\$37,994,000) (note 19).

5. REVENUE

The Group's principal activities are disclosed in note 1 to these consolidated financial statements. The Group's revenue recognised during the year is as follows:

Sales of gold and jewellery products	黃金及珠寶產品銷售
Franchise income	特許加盟費收入
Enterprise software products	企業軟件產品
Systems integration	系統集成
Professional services	專業服務

4. 重要會計估計及判斷(續)

存貨之可變現淨值

珠寶產品之存貨之可變現淨值為日常業務過程中的估計售價減銷售開支。該等估計乃根據現行市況以及銷售類同性質產品之歷史經驗而作出，並會因客戶喜好之變化及競爭對手因應嚴峻行業週期所採取之行動而出現重大變動。

管理層於各呈報期末重估該等估計。於二零一七年十二月三十一日，存貨之賬面值為36,064,000港元(二零一六年：37,994,000港元)(附註19)。

5. 收入

本集團之主要業務在綜合財務報表附註1披露。本集團年內確認之收入如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Sales of gold and jewellery products	20,350	19,011
Franchise income	647	461
Enterprise software products	26,948	39,799
Systems integration	12,631	6,386
Professional services	49,598	38,710
	110,174	104,367

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6. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision maker, have identified the Group's two products and service lines as operating segments as further described in note 2.22.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

6. 分部資料

按附註2.22之進一步論述，本公司執行董事(即主要營運決策者)已識別出本集團兩項產品及服務類別作為經營分部。

該等經營分部乃根據經調整分部之經營業績而監控及作出策略決定。

		2017 二零一七年		
		Jewellery Products 珠寶產品 HK\$'000 千港元	IT Products and Services 資訊科技 產品及服務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue – From external customers	收入 – 來自外部客戶	20,997	89,177	110,174
Reportable segment revenue	可呈報分部收入	20,997	89,177	110,174
Reportable segment (loss)/profit before income tax	扣除所得稅前可呈報分部(虧損)/溢利	(12,555)	2,055	(10,500)
Interest income	利息收益	4	103	107
Depreciation	折舊	(330)	(94)	(424)
Impairment loss on other receivables	其他應收款項減值虧損	–	(10,514)	(10,514)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	–	12,359	12,359
Share of results of an associate	應佔一間聯營公司之業績	–	5,532	5,532
Reportable segment assets	可呈報分部資產	275,620	61,779	337,399
Additions to non-current segment assets (other than financial instruments) during the year	年內添置分部之非流動資產(金融工具除外)	443	172	615
Reportable segment liabilities	可呈報分部負債	28,314	242,546	270,860

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6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		2016 二零一六年		
		Jewellery Products	IT Products and Services	Total
		珠寶產品	資訊科技 產品及服務	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Revenue – From external customers	收入 – 來自外部客戶	19,472	84,895	104,367
Reportable segment revenue	可呈報分部收入	19,472	84,895	104,367
Reportable segment loss before income tax	扣除所得稅前可呈報分部虧損	(13,974)	(31,891)	(45,865)
Interest income	利息收益	3	783	786
Depreciation	折舊	(1,386)	(926)	(2,312)
Net loss on disposal/written off of property, plant and equipment	出售／撇銷物業、廠房及 設備之淨虧損	–	(4)	(4)
Finance costs	財務費用	–	(176)	(176)
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	(1,312)	–	(1,312)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	(1,657)	(1,234)	(2,891)
Reversal of write-down of inventories	撥回存貨撇減	2,117	–	2,117
Share of results of an associate	應佔一間聯營公司之業績	–	(1,651)	(1,651)
Reportable segment assets	可呈報分部資產	279,086	62,631	341,717
Additions to non-current segment assets (other than financial instruments) during the year	年內添置分部之非流動資產 (金融工具除外)	150	623	773
Reportable segment liabilities	可呈報分部負債	22,415	246,477	268,892

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6. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Reportable segment assets	可呈報分部資產	337,399	341,717
Assets classified as held for sale (note 24)	分類為持作出售之資產(附註24)	-	33,027
Eliminated upon consolidation	綜合入賬時對銷	(224,954)	(224,954)
Group assets	本集團之資產	112,445	149,790
Reportable segment liabilities	可呈報分部負債	270,860	268,892
Liabilities directly associated with assets classified as held for sale (note 24)	與分類為持作出售資產直接相關之負債(附註24)	-	30,401
Eliminated upon consolidation	綜合入賬時對銷	(224,954)	(224,954)
Group liabilities	本集團之負債	45,906	74,339

6. 分部資料(續)

本集團之經營分部呈列之總額與綜合財務報表所呈列之本集團主要財務數據之對賬如下：

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

本集團之來自外部客戶收入及其非流動資產(金融工具除外)乃按下列地區劃分：

		Revenue from external customers		Non-current assets	
		來自外部客戶之收入		非流動資產	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	4,612	6,517	7,524	17,507
PRC and Taiwan	中國及台灣	96,455	88,520	1,128	876
South East Asia	東南亞	9,107	9,330	26	24
		110,174	104,367	8,678	18,407

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6. SEGMENT INFORMATION (Continued)

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the physical location of the asset in case of property, plant and equipment and location of operation in case of interest in an associate and development costs.

During the year ended 31 December 2017, HK\$36,668,000 or 33% of the Group's revenue depended on a single customer in the IT Products and Services segment (2016: HK\$29,063,000 or 28%).

6. 分部資料(續)

客戶所在地區之分類是根據提供相關服務或獲交付相關產品之地點而定。非流動資產之地區分類乃基於該等資產之實際所在地(對於物業、廠房及設備而言)以及業務經營所在地(對於聯營公司的權益及開發成本而言)而定。

於截至二零一七年十二月三十一日止年度，本集團收入中之36,668,000港元或33%來自資訊科技產品及服務分部之單一客戶(二零一六年：29,063,000港元或28%)。

7. OTHER INCOME

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest income	利息收益	107	786
Consultancy and management fee income	顧問及管理費收益	360	843
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備之淨虧損	-	(4)
Net foreign exchange gain	匯兌淨收益	2,443	-
Others	其他	986	655
		3,896	2,280

7. 其他收益

8. FINANCE COSTS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest charges on other borrowings	其他借款之利息支出	-	176

8. 財務費用

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9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/
(crediting):

9. 扣除所得稅前虧損

扣除所得稅前虧損已扣減/(計入):

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Operating lease changes on land and buildings	有關土地及樓宇之 經營租賃變動	5,625	5,916
Cost of inventories recognised as an expense, including:	確認為開支的存貨成本， 包括：	27,216	19,568
– Write-down of inventories to net realisable value	– 存貨撇減至可變現 淨值	–	1,312
– Reversal of write-down of inventories (note i)	– 撥回存貨撇減(附註i)	–	(2,117)
Cost of services rendered (note ii)	提供服務成本(附註ii)	67,651	84,474
Impairment loss on other receivables	其他應收款項減值虧損	10,514	–
Depreciation	折舊	424	2,312
Impairment loss on property, plant and equipment	物業、廠房及設備之 減值虧損	–	2,891
Net loss on disposal/written off of property, plant and equipment	出售/撇銷物業、廠房及 設備之淨虧損	–	4
Net foreign exchange (gain)/loss	匯兌淨(收益)/虧損	(2,443)	739
Auditor's remuneration	核數師酬金	1,011	921

Notes:

- (i) As at 31 December 2016, the reversal of write-down of inventories arose from improved market prices.
- (ii) Cost of services rendered included staff costs of HK\$55,000,000 (2016: HK\$66,750,000), which is also included in employee benefits expense (note 12).

附註：

- (i) 於二零一六年十二月三十一日，存貨撇減撥回乃由於市場價格升高所致。
- (ii) 提供服務成本包括員工成本55,000,000港元(二零一六年：66,750,000港元)，該金額亦計入僱員福利開支(附註12)。

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10. INCOME TAX EXPENSE

10. 所得稅開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax – Overseas	即期稅項 – 海外		
Current year	本年度	77	390
Under-provision in prior years	過往年度撥備不足	294	–
Total income tax expense	所得稅開支總額	371	390

Hong Kong Profits Tax has not been provided as the Group had no assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2017 and 2016.

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are subject to PRC enterprise income tax at a rate of 25% during the years ended 31 December 2017 and 2016.

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

於截至二零一七年及二零一六年十二月三十一日止年度，由於本集團並無須繳納香港利得稅的應課稅溢利，故並無就香港利得稅計提撥備。

根據中國之所得稅規則及條例，中國的附屬公司於截至二零一七年及二零一六年十二月三十一日止年度須按稅率25%繳納中國企業所得稅。

海外溢利的稅項乃根據年內估計應課稅溢利按本集團經營業務所在的國家的現行稅率計算。

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10. INCOME TAX EXPENSE (Continued)

Reconciliation between tax expense and accounting loss at applicable tax rates:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax	扣除所得稅前虧損	(10,500)	(45,865)
Tax on loss before income tax, calculated at the rates applicable to profits or losses concerned in the tax jurisdiction	按於稅務司法權區適用於有關溢利或虧損之稅率計算之扣除所得稅前虧損之稅項	(3,857)	(10,714)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	4,989	4,228
Tax effect of non-taxable revenue	毋須課稅收入之稅項影響	(3,350)	(726)
Tax effect of temporary differences not recognised	未確認暫時差額之稅項影響	2	5
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	3,147	7,814
Utilisation of tax losses previously not recognised	使用先前未確認稅項虧損	(854)	(217)
Under-provision in prior years	過往年度撥備不足	294	-
Income tax expense	所得稅開支	371	390

At 31 December 2017, the Group had unrecognised tax losses of approximately HK\$97,119,000 (2016: HK\$88,447,000) to carry forward against future taxable income. These tax losses do not expire under current legislation except losses of approximately HK\$52,875,000 (2016: HK\$42,743,000) which will be expired as follows:

10. 所得稅開支(續)

按適用稅率就稅項開支及會計虧損進行對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
於二零一七年十二月三十一日，本集團有未確認稅項虧損約97,119,000港元(二零一六年：88,447,000港元)承轉，用作抵銷未來應課稅收入。此等稅項虧損根據現時法律並不會屆滿，惟虧損約52,875,000港元(二零一六年：42,743,000港元)將於下列期間屆滿：			

Year of expiry:	屆滿年期：	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
2017	二零一七年	-	2,608
2018	二零一八年	7,139	6,663
2019	二零一九年	6,855	6,398
2020	二零二零年	6,413	5,986
2021	二零二一年	22,415	21,088
2022	二零二二年	10,053	-
		52,875	42,743

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11. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss attributable to owners of the Company of HK\$10,387,000 (2016: HK\$42,763,000) and the weighted average number of 1,188,460,000 ordinary shares (2016: 1,188,460,000 ordinary shares) in issue during the year.

The diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2017 and 2016.

11. 每股虧損

每股基本及攤薄虧損乃按本公司擁有人應佔虧損10,387,000港元(二零一六年：42,763,000港元)及1,188,460,000股普通股(二零一六年：1,188,460,000股普通股)之年內已發行普通股股份之加權平均數目計算。

由於截至二零一七年及二零一六年十二月三十一日止年度內並無已發行潛在可攤薄之普通股，故每股攤薄虧損相等於每股基本虧損。

12. EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

12. 僱員福利開支(包括董事薪酬)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Wages, salaries and other benefits	工資、薪金及其他福利	60,095	75,486
Pension costs – defined contribution plans	退休金成本—定額供款計劃	11,081	10,034
		71,176	85,520

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13. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

13.1 Directors' emoluments

Directors' emoluments, disclosed pursuant to the GEM Listing Rules, section 383 (1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

13. 董事薪酬及五名最高薪酬人士之薪酬

13.1 董事薪酬

董事薪酬乃根據GEM上市規則、香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露如下：

	Note 附註	Other emoluments 其他酬金			Total 總額 HK\$'000 千港元
		Directors' fees 董事袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Contributions to defined contribution plan 定額供款計劃供款 HK\$'000 千港元	
2017					
Executive directors:					
Mr. Chong Yu Ping		-	600	18	618
Ms. Li Xia	(b)	-	944	85	1,029
Mr. Chen Yin		-	532	18	550
Independent non-executive directors:					
Mr. Lam Tin Faat		180	-	-	180
Ms. Lu Haina		120	-	-	120
Ms. Na Xin		120	-	-	120
		420	2,076	121	2,617

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13. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

13.1 Directors' emoluments (Continued)

	Note 附註	Directors' fees 董事袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 總額 HK\$'000 千港元
			Salaries and allowances 薪金及津貼 HK\$'000 千港元	Contributions to defined contribution plan 定額供款 計劃供款 HK\$'000 千港元	
2016					
Executive directors:					
Mr. Chong Yu Ping	(a)	-	450	18	468
Ms. Li Xia	(b)	-	855	87	942
Mr. Chen Yin		-	530	18	548
Independent non-executive directors:					
Mr. Lam Tin Faat		180	-	-	180
Ms. Lu Haina		120	-	-	120
Ms. Na Xin		120	-	-	120
		420	1,835	123	2,378

Notes:

- (a) Mr. Chong Yu Ping was appointed as an executive director of the Company on 17 February 2016.
- (b) Ms. Li Xia is also the Chief Executive Officer of the Company and her emoluments disclosed above include those for services rendered by her as the Chief Executive Officer.

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2017 and 2016.

13. 董事薪酬及五名最高薪酬人士之薪酬(續)

13.1 董事薪酬(續)

	Note 附註	Directors' fees 董事袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 總額 HK\$'000 千港元
			Salaries and allowances 薪金及津貼 HK\$'000 千港元	Contributions to defined contribution plan 定額供款 計劃供款 HK\$'000 千港元	
2016					
Executive directors:					
Mr. Chong Yu Ping	(a)	-	450	18	468
Ms. Li Xia	(b)	-	855	87	942
Mr. Chen Yin		-	530	18	548
Independent non-executive directors:					
Mr. Lam Tin Faat		180	-	-	180
Ms. Lu Haina		120	-	-	120
Ms. Na Xin		120	-	-	120
		420	1,835	123	2,378

附註：

- (a) 莊儒平先生於二零一六年二月十七日獲委任為本公司執行董事。
- (b) 李霞女士亦為本公司行政總裁，故上文披露之薪酬計及其作為行政總裁提供服務之薪酬。

截至二零一七年及二零一六年十二月三十一日止年度，本集團並無向任何董事支付薪酬作為加入本集團或加入本集團後之獎勵或作為離職補償。

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13. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

13.1 Directors' emoluments (Continued)

There were no arrangements under which a director waived or agreed to waive any remuneration during the years ended 31 December 2017 and 2016.

13.2 Five highest paid individuals' emoluments

The five individuals whose emoluments were the highest in the Group for the year included three (2016: three) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2016: two) individuals during the year are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	660	1,015
Contributions to defined contribution plan	定額供款計劃供款	27	36
		687	1,051

The emoluments fell within the following band:

		Number of individuals 員工人數	
		2017 二零一七年	2016 二零一六年
Emolument band: HK\$Nil to HK\$1,000,000	薪酬範圍： 零港元至1,000,000港元	2	2

13. 董事薪酬及五名最高薪酬人士之薪酬(續)

13.1 董事薪酬(續)

截至二零一七年及二零一六年十二月三十一日止年度，並無董事放棄或同意放棄任何薪酬之安排。

13.2 五名最高薪酬人士之薪酬

年內，本集團五名最高薪酬人士包括三名(二零一六年：三名)董事，其薪酬已在上述分析中反映。年內餘下兩名(二零一六年：兩名)最高薪酬人士之薪酬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	660	1,015
Contributions to defined contribution plan	定額供款計劃供款	27	36
		687	1,051

薪酬介於以下範圍：

		Number of individuals 員工人數	
		2017 二零一七年	2016 二零一六年
Emolument band: HK\$Nil to HK\$1,000,000	薪酬範圍： 零港元至1,000,000港元	2	2

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Computer and office equipment 電腦及辦公室設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日					
Cost	成本	2,846	27,238	6,465	766	37,315
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(2,819)	(24,283)	(3,115)	(536)	(30,753)
Net book amount	賬面淨值	27	2,955	3,350	230	6,562
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	27	2,955	3,350	230	6,562
Exchange differences	匯兌差額	-	(83)	(83)	4	(162)
Additions	添置	-	423	123	227	773
Disposals/written off	出售/撇銷	-	(1)	-	(18)	(19)
Depreciation	折舊	(27)	(998)	(1,115)	(172)	(2,312)
Impairment loss recognised	已確認減值虧損	-	(1,007)	(1,680)	(204)	(2,891)
Reclassified to assets classified as held for sale	重新分類至分類為持作出售的資產	-	(1,036)	(2)	-	(1,038)
Closing net book amount	年末賬面淨值	-	253	593	67	913
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日					
Cost	成本	1,785	13,066	6,176	769	21,796
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(1,785)	(12,813)	(5,583)	(702)	(20,883)
Net book amount	賬面淨值	-	253	593	67	913
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	-	253	593	67	913
Exchange differences	匯兌差額	-	15	33	4	52
Additions	添置	96	96	423	-	615
Depreciation	折舊	(28)	(102)	(271)	(23)	(424)
Closing net book amount	年末賬面淨值	68	262	778	48	1,156
At 31 December 2017	於二零一七年十二月三十一日					
Cost	成本	2,024	12,726	7,033	830	22,613
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(1,956)	(12,464)	(6,255)	(782)	(21,457)
Net book amount	賬面淨值	68	262	778	48	1,156

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment loss

No impairment loss was recognised during the year ended 31 December 2017.

During the year ended 31 December 2016, the Group carried out impairment review of its property, plant and equipment, having regard to the market conditions of the Group's business.

Under Jewellery Products segment, the management regards its individual retail stores as separately identifiable cash-generating units ("CGU 1"). Under IT Products and Services segment, as a result of the unfavourable performance of 志鴻軟件(深圳)有限公司 and 志鴻六維科技(杭州)有限公司, indirect wholly owned subsidiaries of the Company, of which the management regards these two subsidiaries as CGU 2 and CGU 3 individually. Property, plant and equipment is allocated to the Group's CGUs identified.

For the purpose of impairment test, the recoverable amounts of the CGUs have been determined on the basis of value-in-use calculations, which use cash flow forecasts derived from the most recent financial budgets approved by management for the remaining non-cancellable lease term of the respective retails stores of CGU 1 and the next five years of CGU 2 and CGU 3 with the residual period using zero growth rate. The pre-tax discount rates used for the Group's CGU 1, CGU 2 and CGU 3 were 16.7%, 17.9% and 17.9%.

Based on the assessment, an impairment loss of HK\$2,891,000 was recognised in the profit or loss for the year ended 31 December 2016 and the respective recoverable amount of aforesaid CGUs to which the impaired property, plant and equipment belong to was zero.

14. 物業、廠房及設備(續)

減值虧損

截至二零一七年十二月三十一日止年度並無確認減值虧損。

截至二零一六年十二月三十一日止年度，本集團對其物業、廠房及設備進行減值檢討，當中已考慮到本集團業務所涉及的市場狀況。

在珠寶產品分部下，管理層視其個別零售門市鋪面為獨立的可識別現金產生單位（「現金產生單位1」）。在資訊科技產品及服務分部下，由於志鴻軟件(深圳)有限公司及志鴻六維科技(杭州)有限公司(本公司的間接全資附屬公司)表現未如理想，管理層個別地視此兩家附屬公司為現金產生單位2及現金產生單位3。物業、廠房及設備乃分配至本集團已識別的現金產生單位。

就減值測試而言，現金產生單位的可收回金額乃基於使用價值計算釐定，即使用自管理層就現金產生單位1內的各零售商舖餘下不可撤銷租約年期以及就現金產生單位2和現金產生單位3在未來五年的年期(餘下年期使用零增長率)所批准的最近期財政預算中獲取的現金流預測釐定。本集團現金產生單位1、現金產生單位2及現金產生單位3所用稅前折現率為16.7%、17.9%及17.9%。

根據該評估，截至二零一六年十二月三十一日止年度，已在損益中確認減值虧損2,891,000港元，及已減值物業、廠房及設備所屬的上述現金產生單位各自的可收回金額為零。

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15. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2017 and 2016 are as follows:

15. 於附屬公司之權益

於二零一七年及二零一六年十二月三十一日，主要附屬公司之詳情如下：

Name of company	Place/country of incorporation	Place of operation	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest held by the Company 本公司所持所有權權益之百分比	Principal activities 主要業務
附屬公司名稱	註冊成立地點/國家	營業地點			
Excel (BVI) Limited	British Virgin Islands*	Hong Kong	5,000 shares of US\$1 each	100%# (2016: 100%#)	Investment holding
	英屬處女群島*	香港	5,000股每股面值1美元之股份	100%# (二零一六年：100%#)	投資控股
Excel Consulting and Solutions Sdn. Bhd.	Malaysia*	Malaysia	100,000 shares of Malaysian Ringgit ("MYR") 1 each	100% (2016: 100%)	Development of computer software and provision of sale and marketing services
	馬來西亞*	馬來西亞	100,000股每股面值馬來西亞幣(「馬幣」)1元之股份	100% (二零一六年：100%)	開發電腦軟件及提供銷售及市場推廣服務
Excel Global IT Services (HK) Limited	Hong Kong*	Hong Kong	HK\$10,000	100% (2016: 100%)	In the progress of deregistration
志鴻六維科技(香港)有限公司	香港*	香港	10,000港元	100% (二零一六年：100%)	現正進行註冊撤銷
Excelink Technology Pte Ltd.	Singapore*	Singapore	Singapore Dollar ("S\$") 893,022	100% (2016: 100%)	Development of computer software and provision of sale and marketing services
	新加坡*	新加坡	新加坡元(「新加坡元」) 893,022	100% (二零一六年：100%)	開發電腦軟件及提供銷售及市場推廣服務
HR21 Limited	Hong Kong*	Hong Kong	HK\$2	93% (2016: 93%)	Development of computer software and provision of maintenance services
	香港*	香港	2港元	93% (二零一六年：93%)	開發電腦軟件及提供保養服務
World Sky International Limited	British Virgin Islands*	Hong Kong	1 share of US\$1	100%# (2016: 100%#)	Investment holding

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15. INTERESTS IN SUBSIDIARIES

(Continued)

15. 於附屬公司之權益(續)

Name of company	Place/country of incorporation	Place of operation	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest held by the Company 本公司所持所有權權益之百分比	Principal activities
附屬公司名稱	註冊成立地點/國家	營業地點			主要業務
世天國際有限公司	英屬處女群島*	香港	1股面值 1美元之股份	100%# (二零一六年: 100%#)	投資控股
金香港珠寶(深圳)有限公司 (Hong Kong Jewellery Co., (Shenzhen) Limited [®])	PRC**	PRC	HK\$87,000,000	100% (2016: 100%)	Design and sales of gold and jewellery products
	中國**	中國	87,000,000港元	100% (二零一六年: 100%)	設計及銷售黃金及珠寶產品
深圳志鴻聯匯計算機系統有限公司 (Excel Solution Technology Limited [®])	PRC**	PRC	Renminbi ("RMB") 6,000,000	100% (2016: 100%)	Development of computer software and provision of maintenance services
	中國**	中國	人民幣(「人民幣」) 6,000,000元	100% (二零一六年: 100%)	開發電腦軟件及提供保養服務
志鴻軟件(深圳)有限公司 (Excel Software (Shenzhen) Co., Limited [®])	PRC**	PRC	HK\$ 20,000,000	100% (2016: 100%)	Development of computer software and provision of maintenance services
	中國**	中國	20,000,000港元	100% (二零一六年: 100%)	開發電腦軟件及提供保養服務
志鴻六維軟件科技(上海)有限公司 (Excel Technology (Shanghai) Co., Limited [®])	PRC**	PRC	US\$ 1,700,000	100% (2016: 100%)	Provision of professional services and systems integration
	中國**	中國	1,700,000美元	100% (二零一六年: 100%)	提供專業服務及系統集成
志鴻六維科技(杭州)有限公司 (Excel Global IT Services (Hangzhou) Limited [®])	PRC**	PRC	US\$70,000	100% (2016: 100%)	Provision of professional services
	中國**	中國	70,000美元	100% (二零一六年: 100%)	提供專業服務

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15. INTERESTS IN SUBSIDIARIES

(Continued)

Name of company	Place/country of incorporation	Place of operation	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest held by the Company 本公司所持所有權權益之百分比	Principal activities 主要業務
附屬公司名稱	註冊成立地點/國家	營業地點			
新川資訊科技股份有限公司 (New River Information Technology & Services Co.®)	Taiwan*	Taiwan	New Taiwan Dollar ("NT\$") 11,913,620	100% (2016: 100%)	Provision of professional services
	台灣*	台灣	新台幣 ([新台幣]) 11,913,620元	100% (二零一六年: 100%)	提供專業服務
東莞志鴻國際金融科技孵化中心有限公司 (Dongguan Excel International Finance and Technology Incubation Centre Company Limited®)	PRC**	PRC	RMB 10,000,000	100% (2016: 100%)	Development of computer software and provision of maintenance services
	中國**	中國	人民幣10,000,000元	100% (二零一六年: 100%)	開發電腦軟件及提供保養服務

Issued capital held directly by the Company

* Limited liability company

** Wholly foreign-owned enterprise

® The English names of the PRC companies are translation of their Chinese names for identification purpose only and are not their official names.

本公司直接持有已發行股本

* 有限公司

** 外商獨資企業

® 中國公司的英文名稱乃其中文名稱譯名，僅供識別，而非其正式名稱。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表列示之本公司附屬公司，乃董事認為對本集團年內業績有主要影響或構成本集團淨資產之重要部份。董事認為列出其他附屬公司資料將使篇幅過於冗長。

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15. INTERESTS IN SUBSIDIARIES

(Continued)

The following table lists out the information relating to the subsidiaries of the Group which have material non-controlling interests ("NCI"). The details and the summarised financial information, before intragroup eliminations, are as follows:

15. 於附屬公司之權益(續)

下表載列本集團附屬公司之相關資料，該等公司擁有重大非控股權益（「非控股權益」）。有關詳情及財務資料概要（未進行集團內公司間對銷）載列如下：

		2017 二零一七年		Excel System (Beijing) Limited 北京志鴻英華科 技有限公司
		i21 Limited i21 Limited HK\$'000 千港元	HR21 Limited HR21 Limited HK\$'000 千港元	HK\$'000 千港元
NCI percentage	非控股權益百分比	19.9%	7%	-
Current assets	流動資產	818	16,422	-
Non-current assets	非流動資產	-	2	-
Current liabilities	流動負債	(43,008)	(16,922)	-
Net liabilities	負債淨值	(42,190)	(498)	-
Carrying amount of NCI	非控股權益之賬面值	(2,152)	419	-
Revenue	收入	-	6,995	-
(Loss)/Profit for the year	年內(虧損)/溢利	(10)	96	-
Total comprehensive (expense)/income	全面(開支)/收入總額	(10)	96	-
(Loss)/Profit allocated to NCI	分配至非控股權益之 (虧損)/溢利	(2)	6	-
Dividend paid to NCI	已付非控股權益股息	-	-	-
Cash flows from operating activities	經營活動所產生之現金流量	20	1,561	-
Cash flows from investing activities	投資活動所產生之現金流量	-	39	-
Cash flows from financing activities	融資活動所產生之現金流量	-	-	-

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15. INTERESTS IN SUBSIDIARIES

(Continued)

		2016 二零一六年		
		i21 Limited	HR21 Limited	Excel System (Beijing) Limited
		i21 Limited	HR21 Limited	北京志鴻英華科 技有限公司
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
NCI percentage	非控股權益百分比	19.9%	7%	35%
Current assets	流動資產	817	14,983	32,994
Non-current assets	非流動資產	-	14	1,038
Current liabilities	流動負債	(42,996)	(15,591)	(42,333)
Net liabilities	負債淨值	(42,179)	(594)	(8,301)
Carrying amount of NCI	非控股權益之賬面值	(2,150)	413	(2,905)
Revenue	收入	-	6,399	18,748
(Loss)/Profit for the year	年內(虧損)/溢利	(13)	54	(12,272)
Total comprehensive (expense)/income	全面(開支)/收入總額	(13)	54	(12,272)
(Loss)/Profit allocated to NCI	分配至非控股權益之 (虧損)/溢利	(3)	4	(4,296)
Dividend paid to NCI	已付非控股權益股息	-	-	-
Cash flows (used in)/from operating activities	經營活動所(動用)/產生 之現金流量	(2)	1,967	214
Cash flows used in investing activities	投資活動所動用之現金流量	-	-	(26)
Cash flows from financing activities	融資活動所產生之現金流量	-	-	-

16. INTEREST IN AN ASSOCIATE

16. 於一間聯營公司之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of investment in an associate	投資一間聯營公司之成本	5,131	5,131
Share of post-acquisition results and other comprehensive income, net of dividends received	應佔收購後之業績及其他 全面收入，扣除已收股息	2,391	(3,141)
Share of net assets	應佔資產淨額	7,522	1,990
Amount due from an associate	應收一間聯營公司的款項	-	15,504
		7,522	17,494

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16. INTEREST IN AN ASSOCIATE (Continued)

The amount due from an associate is unsecured, interest-free and repayable on demand. As at 31 December 2016, the amount is classified as non-current as the Group did not intend to demand repayment from the associate within the next twelve months.

Particulars of the Group's unlisted associate, having a reporting date of 31 December, whose quoted market price is not available as at 31 December 2017 are as follows:

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Percentage of interest held indirectly by the Company	Principal activities
聯營公司名稱	業務結構形式	註冊成立及經營地點	已發行及已繳足股本詳情	本公司間接持有權益百分比	主要業務
Excel Technology International (Hong Kong) Limited	Incorporated	Hong Kong	HK\$4,873,889	50% (2016: 50%)	Development of computer software, systems integration and the provision of maintenance services
志鴻科技國際(香港)有限公司	註冊成立	香港	4,873,889港元	50% (二零一六年: 50%)	開發電腦軟件及系統集成以及提供保養服務

Excel Technology International (Hong Kong) Limited ("Excel HK") is accounted for an associate as the Group has 40% of voting rights despite the Group's equity interest in Excel HK is 50%. Excel HK is a strategic partner for the Group's growth in the development of computer software and the provision of systems integration, professional services and maintenance services through its expertise.

16. 於一間聯營公司之權益(續)

應收聯營公司款項為無抵押、不計息及須按要求償還。於二零一六年十二月三十一日，該款項被分類為非流動，因本集團無意於未來十二個月內要求聯營公司償還。

本集團呈報日期為十二月三十一日及於二零一七年十二月三十一日無市場報價之非上市聯營公司之詳情如下：

志鴻科技國際(香港)有限公司(「志鴻香港」)按聯營公司入賬，因本集團於志鴻香港持股50%，但僅擁有其40%的投票權。志鴻香港為本集團之戰略合作夥伴，憑藉其專業知識，在開發電腦軟件以及提供系統集成、專業服務及保養服務方面為本集團帶來增長。

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16. INTEREST IN AN ASSOCIATE (Continued)

Set out below are the summarised financial information of the Group's associate, Excel HK, which are accounted for using the equity method:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產	340	899
Current assets	流動資產	76,238	45,856
Current liabilities	流動負債	(61,535)	(42,775)
Net assets	資產淨值	15,043	3,980

16. 於一間聯營公司之權益(續)

本集團採用權益法入賬之聯營公司志鴻香港財務資料概要載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	133,970	110,596
Profit/(Loss) for the year and total comprehensive income/(expense) for the year	年內溢利/(虧損)及年內全面收入/(開支)總額	11,063	(3,301)
Dividend received from the associate	自聯營公司收取的股息	-	-
Group's share of results of the associate for the year	年內本集團應佔聯營公司的業績	5,532	(1,651)

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16. INTEREST IN AN ASSOCIATE (Continued)

A reconciliation of the above summarised financial information to the carrying amount of the investment in Excel HK is set out below:

16. 於一間聯營公司之權益(續)

上述概要財務資料與於志鴻香港投資的賬面值之對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Total net assets of the associate	聯營公司資產淨值總額	15,043	3,980
Proportion of the ownership interest held by the Group	本集團所持所有權權益之百分比	50%	50%
The Group's share of net assets of the associate	本集團應佔聯營公司之資產淨值	7,522	1,990
Amount due from an associate	應收聯營公司款項	-	15,504
Carrying amount of the interest in the associate in the consolidated financial statements	於聯營公司權益在綜合財務報表之賬面值	7,522	17,494

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17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

17. 可供出售金融資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unlisted private equity fund	非上市私人股票基金		
Fair value	公允價值	2,543	2,543
Less: provision for impairment	減：減值撥備	(2,543)	(2,543)
		-	-
Unlisted equity investments	非上市股本投資		
Cost	成本	3,900	3,900
Less: provision for impairment	減：減值撥備	(3,900)	(3,900)
		-	-
		-	-

18. DEVELOPMENT COSTS

18. 開發成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January and 31 December	於一月一日及十二月三十一日		
Cost	成本	7,052	7,052
Accumulated amortisation	累計攤銷	(7,052)	(7,052)
Net book amount	賬面淨值	-	-

The development costs represented all direct costs incurred in the development of enterprise software products and were fully amortised in prior years.

開發成本為開發企業軟件產品時產生之所有直接費用，並已於以往年度全數攤銷。

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19. INVENTORIES

19. 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Jewellery Products	珠寶產品		
Raw materials	原材料	1,995	2,488
Work in progress	在製品	500	2,698
Finished goods	製成品	33,569	32,808
		36,064	37,994

20. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

20. 應收／(應付)客戶合約工程款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contract costs incurred plus recognised profits less recognised losses	已產生合約成本加已確認溢利減已確認虧損	27,538	39,726
Less: progress billings	減：進度賬單金額	(22,048)	(37,974)
		5,490	1,752
Recognised in the consolidated statement of financial position as:	於綜合財務狀況表確認為：		
Amounts due from customers for contract work	應收客戶合約工程款項	7,707	4,767
Amounts due to customers for contract work	應付客戶合約工程款項	(2,217)	(3,015)
		5,490	1,752

All amounts due from/(to) customers for contract work are expected to be recovered/(settled) within one year.

所有應收／(應付)客戶合約工程款項預期將於一年內收回／(清償)。

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21. TRADE RECEIVABLES

21. 應收貿易賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收貿易賬款	13,613	14,115
Less: provision for impairment of receivables	減：應收款項減值撥備	(106)	(99)
		13,507	14,016

Trade receivables for IT Products and Services are due within 0 – 60 days (2016: 0 – 90 days) from the date of billing. Debtors with balances that are more than 90 days overdue are requested to settle all outstanding balances before any further credit is granted.

The Group's sales of gold and jewellery products comprised mainly cash sales and credit card sales to retail customers and credit sales to franchisees which are due within 0 – 60 days from the date of billing.

The directors of the Group considered that the fair values of trade receivables are not materially different from their carrying amounts because these balances have short maturity periods at their inception.

Based on the invoice dates (or date of revenue recognition if earlier), the ageing analysis of the trade receivables, net of provision for impairment, was as follows:

資訊科技產品及服務之應收貿易賬款於發單日起計零至六十日(二零一六年：零至九十日)內到期。結餘逾期超過九十日之債務人在償還全部未償還結餘後方可再獲授進一步信貸。

本集團之黃金及珠寶產品銷售主要包括向零售客戶之現金銷售及信用卡銷售，以及向特許加盟商之信貸銷售，信貸期自發單日起零至六十日內到期。

本集團董事認為因此等款項為短期賬款，故應收貿易賬款之公允價值與其賬面值並無重大差異。

根據發票日期(或收入確認日期(倘較早))，應收貿易賬款(已扣除減值撥備)之賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0– 30日	12,099	8,614
31 – 60 days	31– 60日	1,042	349
61 – 90 days	61– 90日	135	409
Over 90 days	超過90日	231	4,644
		13,507	14,016

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21. TRADE RECEIVABLES (Continued)

The movement in the provision for impairment of trade receivables is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at the beginning of the year	於年初之餘額	99	180
Amount written off during the year	年內撇銷金額	-	(75)
Exchange differences	匯兌差額	7	(6)
Balance at the end of the year	於年末之餘額	106	99

At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis. Based on this assessment, no impairment loss has been recognised for the years ended 31 December 2017 and 2016. The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments.

The ageing analysis of the Group's trade receivables that were past due as at the reporting date but not impaired, based on due date is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦無減值	12,091	5,270
1 – 90 days past due	逾期1 – 90日	1,250	4,102
Over 90 days past due	逾期超過90日	166	4,644
		13,507	14,016

As at 31 December 2017 and 2016, trade receivables that were neither past due nor impaired are related to customers for whom there was no recent history of default.

21. 應收貿易賬款(續)

應收貿易賬款減值撥備之變動如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at the beginning of the year	99	180
Amount written off during the year	-	(75)
Exchange differences	7	(6)
Balance at the end of the year	106	99

於各呈報日期，本集團會對應收款項作個別及整體檢討，以確定是否有減值依據。根據該評估，截至二零一七年及二零一六年十二月三十一日止年度並未確認減值虧損。減值之應收貿易賬款乃正面臨財政困難客戶拖欠或未能如期付款的欠款。

按到期日，於呈報日期已逾期但無減值之本集團應收貿易賬款之賬齡分析如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	12,091	5,270
1 – 90 days past due	1,250	4,102
Over 90 days past due	166	4,644
	13,507	14,016

於二零一七年及二零一六年十二月三十一日，未逾期亦無減值之應收貿易賬款，乃涉及近期無欠款記錄之客戶。

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21. TRADE RECEIVABLES (Continued)

Trade receivables that were past due but not impaired related to customers that had a good track record of credit with the Group. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable.

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables (note (i))	其他應收款項(附註(i))
Deposits	按金
Amount due from an investee company (note (ii))	應收投資公司款項(附註(ii))
Amount due from an associate (note (iii))	應收聯營公司款項(附註(iii))
Prepayments	預付款項

21. 應收貿易賬款(續)

已逾期但無減值之應收貿易賬款，涉及於本集團有良好信貸記錄之客戶。根據過往之信貸記錄，管理層相信無必要就此等結餘計提減值撥備，原因是信貸質素並無重大變化，且結餘仍被視為可全數收回。

22. 其他應收款項、按金及預付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other receivables (note (i))	其他應收款項(附註(i))	3,392	6,113
Deposits	按金	822	517
Amount due from an investee company (note (ii))	應收投資公司款項(附註(ii))	–	4,480
Amount due from an associate (note (iii))	應收聯營公司款項(附註(iii))	6,010	–
Prepayments	預付款項	10,590	5,962
		20,814	17,072

Notes:

- (i) As at 31 December 2017, the Group has determined other receivables of HK\$10,514,000 (2016: HK\$Nil) as individually impaired and impairment loss on other receivables of HK\$10,514,000 has been recognised during the year ended 31 December 2017 (2016: HK\$Nil). The individually impaired other receivables relate to debtors that were not expected to be recoverable and the Group does not hold any collateral over these balances.
- (ii) As at 31 December 2017, the amount due from an investee company has been fully repaid.
- As at 31 December 2016, the amount due is unsecured, interest bearing at 12% per annum and repayable within one year.
- (iii) The amount due from an associate is unsecured, interest-free and repayable on demand.

附註：

- (i) 於二零一七年十二月三十一日，本集團釐定10,514,000港元(二零一六年：零港元)的其他應收款項須作個別減值並於截至二零一七年十二月三十一日止年度就10,514,000港元(二零一六年：零港元)的其他應收款項確認減值虧損。個別減值之其他應收款項乃與預期不可收回且本集團並未就該等款項餘額持有任何抵押品的債務人相關。
- (ii) 於二零一七年十二月三十一日，應收投資公司之款項已全數償還。
- 於二零一六年十二月三十一日，該款項為無抵押、按年利率12%計息，且須於一年內償還。
- (iii) 應收聯營公司款項為無抵押、不計息及須按要求償還。

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23. CASH AND BANK BALANCES

Included in cash and bank balances of the Group is HK\$11,676,000 (2016: HK\$11,914,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

24. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

The Group has decided to dispose of a subsidiary, Excel System (Beijing) Limited ("Excel BJ") during the year ended 31 December 2016. Subsequent to 31 December 2016, the Group has entered into a sale and purchase agreement with an independent third party to dispose of Excel BJ and the disposal was completed in January 2017. The assets and liabilities of Excel BJ were presented as held for sale as at 31 December 2016. Details of the disposal are set out in note 34.

Assets classified as held for sale

Property, plant and equipment
Amounts due from customers for contract work
Trade and other receivables
Cash and bank balances

23. 現金及銀行存款

本集團之現金及銀行存款包括11,676,000港元(二零一六年: 11,914,000港元)存放於中國境內銀行以人民幣計值之銀行存款。人民幣為不可自由兌換貨幣。根據中國之外匯兌換管理條例及結匯、售匯及付匯條例規定，本集團可獲准透過獲認可進行外匯兌換業務之銀行將人民幣兌換為外幣。

24. 分類為持作出售資產／與分類為持作出售資產直接相關之負債

於截至二零一六年十二月三十一日止年度，本集團決定出售一間附屬公司北京志鴻英華科技有限公司(「北京志鴻」)。於二零一六年十二月三十一日後，本集團與一名獨立第三方訂立了一項買賣協議出售北京志鴻，出售於二零一七年一月完成。北京志鴻的資產及負債於二零一六年十二月三十一日呈列為持作出售。出售詳情載列於附註34。

分類為持作出售資產

2016
二零一六年
HK\$'000
千港元

物業、廠房及設備 1,038
應收客戶合約工程款項 17,560
應收貿易賬款及其他應收款項 8,895
現金及現金等價物 5,534

33,027

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24. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

(Continued)

Liabilities directly associated with assets classified as held for sale

Amount due to customers for contract work
Trade and other payables

24. 分類為持作出售資產／與分類為持作出售資產直接相關之負債(續)

與分類為持作出售資產直接相關之負債

2016
二零一六年
HK\$'000
千港元

應付客戶合約工程款項	21
應付貿易賬款及其他應付款項	30,380
	<u>30,401</u>

25. TRADE PAYABLES

The Group was granted by its third party suppliers credit periods ranging from 30 days to 60 days. Based on the invoice dates, the ageing analysis of the trade payables were as follows:

25. 應付貿易賬款

第三方供應商給予本集團之信貸期介乎三十日至六十日。根據發票日期，應付貿易賬款之賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0 – 30日	981	418
Over 90 days	超過90日	159	148
		<u>1,140</u>	<u>566</u>

All amounts are short term and hence the carrying values of trade payables are considered to be a reasonable approximation of fair value.

所有金額均屬短期性質，因此應付貿易賬款之賬面值被視為公允價值之合理約數。

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26. OTHER PAYABLES AND ACCRUED CHARGES

26. 其他應付款項及預提費用

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deferred income for maintenance services	保養服務之遞延收入	6,843	10,540
Deposits from customers and franchisees	來自客戶及特許加盟商之按金	1,557	2,228
Other payables	其他應付款項	8,469	8,074
Accrued charges	預提費用	5,065	4,469
		21,934	25,311

All amounts are short term and hence the carrying values of other payables and accrued charges are considered to be a reasonable approximation of fair value.

所有金額屬短期性質，故認為其他應付款項及預提費用之賬面值為公允價值之合理約數。

27. AMOUNTS DUE TO DIRECTORS

The amounts due to directors are unsecured, interest-free and repayable on demand.

27. 應付董事款項

應付董事款項為無抵押、免息並須按要求償還。

28. SHARE CAPITAL

28. 股本

		2017 二零一七年		2016 二零一六年	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：				
At 1 January and 31 December	於一月一日及 十二月三十一日	1,188,460,000	118,846	1,188,460,000	118,846

The holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，且有權於本公司會議上就每股股份投一票。所有普通股對本公司之剩餘資產享有同等地位。

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29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

29. 本公司財務狀況表

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司之權益		-	-
Current assets	流動資產			
Prepayments	預付款項		659	302
Amounts due from subsidiaries	應收附屬公司款項		44,698	87,124
Cash and bank balances	現金及銀行存款		7	24
			45,364	87,450
Current liabilities	流動負債			
Other payables and accrued charges	其他應付款項及預提費用		2,217	1,468
Amounts due to subsidiaries	應付附屬公司款項		64,753	64,753
Amounts due to directors	應付董事款項		20,538	15,046
			87,508	81,267
Net current (liabilities)/assets	流動(負債)/資產淨值		(42,144)	6,183
Total assets less current liabilities	資產總額減流動負債		(42,144)	6,183
Net (liabilities)/assets	(負債)/資產淨值		(42,144)	6,183
EQUITY	股權			
Share capital	股本	28	118,846	118,846
Reserves	儲備	30 (a)	(160,990)	(112,663)
(Capital deficiencies)/Total equity	(資本虧絀)/股權總額		(42,144)	6,183

Li Xia
Director

李霞
董事

Chong Yu Ping
Director

莊儒平
董事

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30. RESERVES

(a) The movement of the Company's reserves are as follows:

		Share premium 股份溢價 HK\$'000 千港元 (note 30 (b)) (附註30(b))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	220,438	(280,631)	(60,193)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	(52,470)	(52,470)
At 31 December 2016 and 1 January 2017	於二零一六年 十二月三十一日及 二零一七年一月一日	220,438	(333,101)	(112,663)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	(48,327)	(48,327)
At 31 December 2017	於二零一七年 十二月三十一日	220,438	(381,428)	(160,990)

(b) Share premium

The application of the share premium account is governed by section 40 of the Bermuda Companies Act.

30. 儲備

(a) 本公司之儲備變動如下：

		Share premium 股份溢價 HK\$'000 千港元 (note 30 (b)) (附註30(b))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	220,438	(280,631)	(60,193)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	(52,470)	(52,470)
At 31 December 2016 and 1 January 2017	於二零一六年 十二月三十一日及 二零一七年一月一日	220,438	(333,101)	(112,663)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	(48,327)	(48,327)
At 31 December 2017	於二零一七年 十二月三十一日	220,438	(381,428)	(160,990)

(b) 股份溢價

股份溢價賬之運用受百慕達公司法第40條監管。

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31. OPERATING LEASE COMMITMENTS

At the reporting date, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable by the Group are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	5,680	4,420
In the second to fifth years	第二至第五年	2,270	3,963
		7,950	8,383

The Group leases the land and buildings under operating leases. The leases run for an initial period of one to three (2016: one to three) years, with an option to renew the lease and renegotiated the terms at the expiry dates or at dates as mutually agreed between the Group and respective landlords. None of the leases include contingent rentals.

32. FINANCIAL GUARANTEE CONTRACTS

As at 31 December 2017, the Group had provided guarantee for the associate, Excel HK to a third party, in respect of all monies owed by and/or the obligations and liabilities of Excel HK to the third party under a service contract to the extent of HK\$3,331,000 (2016: HK\$5,518,000). At 31 December 2017 and 2016, no provision for the Group's obligation under the guarantee contract has been recognised as there was no amount due by Excel HK to the third party and the directors considered that it was not probable that the service obligations to be performed by Excel HK would not be met.

31. 經營租賃承擔

於呈報日期，本集團根據不可撤銷之經營租賃就土地及建築物將要承擔之最低租金付款總額於以下期間支付：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	5,680	4,420
In the second to fifth years	2,270	3,963
	7,950	8,383

本集團根據經營租約租賃土地及建築物。租約之初步租賃期為一年至三年(二零一六年：一年至三年)，附有選擇權於約滿日期或本集團與有關業主共同協定之日期續訂租約及重新議訂條款。租約概不包括或然租金。

32. 財務擔保合約

於二零一七年十二月三十一日，本集團已就聯營公司志鴻香港根據一份服務合約而應付予一名第三方之所有欠款及／或責任及負債，為志鴻香港向該名第三方提供金額上限為3,331,000港元(二零一六年：5,518,000港元)之擔保。於二零一七年及二零一六年十二月三十一日，由於志鴻香港並無款項結欠該名第三方，且各董事認為志鴻香港不可能無法履行有關服務責任，故並無就本集團根據該份擔保合約之責任作出撥備。

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33. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following material transactions with related parties:

33. 關聯方交易

除了該等綜合財務報表其他部份所披露交易／資料外，年內本集團亦與關聯方進行以下重大交易：

Name of related parties 關聯方名稱	Nature of transactions 交易性質	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Companies in which the directors of the Company have interests 本公司董事擁有權益之公司			
- Hangzhou Baidi Jewellery Company Limited* 杭州百迪珠寶有限公司 ("Baidi Jewellery") (notes a, c)	Sales of gold and jewellery products	-	217
- 杭州百迪珠寶有限公司*(「百迪珠寶」)(附註a、c)	銷售黃金及珠寶產品		
- Shenzhen Didi Jewellery Culture Development Co. Ltd.* 深圳迪迪珠寶文化發展有限公司 ("Didi Culture") (notes a, c)	Purchase of packaging materials for the brand H.K. JEWELRY	-	29
- 深圳迪迪珠寶文化發展有限公司*(「迪迪文化」)(附註a、c)	購買香港珠寶品牌之包裝材料		
- Hangzhou Didi Commercial Showcases Company Limited* 杭州迪迪商業展具有限公司 ("Didi Showcases") (notes a, c)	Purchase of showcases for the brand H.K. JEWELRY	224	124
- 杭州迪迪商業展具有限公司*(「迪迪展具」)(附註a、c)	購買香港珠寶品牌之展櫃		
- Shenzhen Yihua Jewellery Company Limited* 深圳市藝華珠寶首飾股份有限公司 ("Shenzhen Yihua") (notes b, c)	Operating lease charges on land and building	2,386	2,252
- 深圳市藝華珠寶首飾股份有限公司*(「深圳藝華」)(附註b、c)	土地及樓宇經營租賃費用		
	Sales of gold and jewellery products 銷售黃金珠寶產品	105	-

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33. RELATED PARTY TRANSACTIONS

(Continued)

33. 關聯方交易(續)

Name of related parties 關聯方名稱	Nature of transactions 交易性質	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Associate 聯營公司			
- Excel HK - 志鴻香港	Professional fee received 已收專業費用	36,668	29,063
	Professional fee paid 已付專業費用	12,055	7,812
	Purchase of complementary hardware and software 購買配套硬件及軟件	12,014	1,281
	Administration expenses reimbursements 行政開支補償	1,440	960

Notes:

- (a) Baidi Jewellery, Didi Culture and Didi Showcases are owned as to 90%, 100% and 100% respectively by Hangzhou Didi Investment Joint Stock Company Limited* (杭州迪迪投資股份有限公司), which in turn is owned as to 90% by Mr. Lin Feifei, Mr. Lin Di's father, who is a shareholder of the Company as at 31 December 2017. Mr. Lin Di was a shareholder of the Company during the year ended 31 December 2016 and resigned as an executive director of the Company on 30 October 2015.
- (b) Shenzhen Yihua is a shareholder of the Company as at 31 December 2017 and 2016 and is owned as to approximately 75% by Mr. Chong Yu Ping, an executive director of the Company.

附註：

- (a) 百迪珠寶、迪迪文化及迪迪展具分別由杭州迪迪投資股份有限公司持有90%、100%及100%權益，而杭州迪迪投資股份有限公司由林迪先生父親林樞樞先生持有90%之權益。於二零一七年十二月三十一日，林樞樞先生為本公司之股東。於截至二零一六年十二月三十一日止年度，林迪先生為本公司之股東，並於二零一五年十月三十日辭任本公司執行董事。
- (b) 於二零一七年及二零一六年十二月三十一日，深圳藝華為本公司之股東，並由本公司執行董事莊儒平先生擁有該公司約75%權益。

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33. RELATED PARTY TRANSACTIONS

(Continued)

Notes: (Continued)

- (c) The above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

These transactions were conducted in the Group's normal course of business and at mutually agreed prices and terms.

- * The English names of the PRC companies are translation of their Chinese names for identification purpose only and are not their official names.

Key management personnel remuneration

Key management personnel of the Group are members of the board of directors, as well as certain senior management personnel. Key management personnel remuneration includes the following expenses:

33. 關聯方交易(續)

附註:(續)

- (c) 上述關聯方交易亦構成關連交易或持續關連交易(定義見GEM上市規則第二十章)。

此等交易均於本集團日常業務過程中按雙方同意之價格及條款進行。

- * 該等中國公司之英文名稱乃直譯自其中文名稱，僅供識別，並非其正式名稱。

主要管理人員酬金

本集團主要管理人員為董事會成員及若干高級管理人員。主要管理人員酬金包括下列開支：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,496	2,255
Post employment benefits	離職後福利	121	123
		2,617	2,378

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34. DISPOSAL/DEREGISTRATION OF SUBSIDIARIES

- (a) On 18 January 2017, the Group disposed of Excel BJ to an independent third party at a cash consideration of HK\$2,000,000.

34. 出售／註銷附屬公司

- (a) 於二零一七年一月十八日，本集團以現金代價2,000,000港元向一名獨立第三方出售北京志鴻。

		HK\$'000 千港元
Analysis of assets and liabilities over which control was lost at the date of disposal:		
Cash and bank balances	於出售之日失去控制權之資產及負債分析：	993
Property, plant and equipment	現金及銀行存款	1,038
Amounts due from customers for contract work	物業、廠房及設備	17,560
Trade and other receivables	應收客戶合約工程款項	11,718
Other payables and accrued charges	應收貿易賬款及其他應收款項	(28,758)
Amounts due to customers for contract work	其他應付款項及預提費用	(21)
Amounts due to the Group	應付客戶合約工程款項	(12,227)
	應付本集團款項	<u>(12,227)</u>
Net liabilities disposed of	出售之負債淨值	<u>(9,697)</u>
Gain on disposal of a subsidiary:		
Consideration received	出售一間附屬公司收益：	2,000
Net liabilities disposed of	已收取代價	9,697
Non-controlling interests	出售之負債淨值	(3,393)
Cumulative exchange differences in respect of net liabilities of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	非控股權益	4,055
	失去附屬公司控制權時自股權重新分類為損益之附屬公司負債淨值相關累計匯兌差額	<u>4,055</u>
Gain on disposal	出售收益	<u>12,359</u>
Net cash inflow arising on disposal:		
Consideration received in cash and cash equivalents	出售產生之現金流入淨額：	2,000
Less: cash and cash equivalents disposed of	收取現金及現金等價物代價	(993)
	減：出售之現金及現金等價物	<u>1,007</u>

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34. DISPOSAL/DEREGISTRATION OF SUBSIDIARIES (Continued)

(b) During the year ended 31 December 2016, a subsidiary of the Company, Excel System Limited was voluntarily deregistered. The net liabilities of Excel System Limited on the date of deregistration was as follows:

		2016 二零一六年 HK\$'000 千港元
Net liabilities deregistered of:		
Amount due from a fellow subsidiary	應收一間同系附屬公司的款項	2,295
Amount due to an immediate holding company	應付一間直接控股公司的款項	(4,911)
		(2,616)
Add: waiver of amount due to an immediate holding company	加：豁免應付一間直接控股公司的款項	4,911
Add: waiver of amount due from a fellow subsidiary	加：豁免應收一間同系附屬公司的款項	(2,295)
Less: non-controlling interests	減：非控股權益	-
Gain/(Loss) on deregistration	由於註銷而產生之收益/(虧損)	-

35. ACQUISITION OF ADDITIONAL INTERESTS IN A SUBSIDIARY

During the year ended 31 December 2016, the Group acquired an additional 34% equity interests in 深圳志鴻聯匯計算機系統有限公司 at a consideration of HK\$4. As a result of the acquisition, the difference between the consideration paid and the carrying amount of non-controlling interests of HK\$276,000 was recognised in the capital reserve.

34. 出售／註銷附屬公司(續)

(b) 於截至二零一六年十二月三十一日止年度，本公司一間附屬公司Excel System Limited自願註銷。Excel System Limited於註銷之日的淨負債如下：

		2016 二零一六年 HK\$'000 千港元
所註銷的淨負債：		
應收一間同系附屬公司的款項		2,295
應付一間直接控股公司的款項		(4,911)
		(2,616)
加：豁免應付一間直接控股公司的款項		4,911
加：豁免應收一間同系附屬公司的款項		(2,295)
減：非控股權益		-
由於註銷而產生之收益/(虧損)		-

35. 購入一家附屬公司之額外權益

截至二零一六年十二月三十一日止年度，本集團購入深圳志鴻聯匯計算機系統有限公司的額外34%股權，代價為4港元。由於進行該項收購，已付代價與非控股權益賬面金額之間的差額276,000港元，已在資本儲備中確認。

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as:

36. 融資活動產生之負債對賬

本集團於融資活動產生之負債變動可分類為：

		Amounts due to directors 應付董事款項 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	15,046
Financing cash flows	融資現金流量	5,492
At 31 December 2017	於二零一七年十二月三十一日	20,538

37. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group actively and regularly reviews and manages its financial risk and takes actions to mitigate such risk. The Group adopts conservative strategies on its risk management and seeks to limit the Group's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks.

There has been no change to the type of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

37. 財務風險管理

本集團因於其日常業務過程中及於其投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險(包括外匯風險及利率風險)、信貸風險及流動性風險。

本集團積極地定期檢討及管理其財務風險，並採取行動減低有關風險。本集團在風險管理方面採取較為保守策略，並致力將本集團承受之此等風險減至最低。董事會檢討及同意管理各項有關風險之政策。

本集團所涉及金融工具風險之種類及其管理及計量有關風險之方法均無變動。

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37. FINANCIAL RISK MANAGEMENT

(Continued)

37.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

37. 財務風險管理(續)

37.1 金融資產及負債之類別

綜合財務狀況表所呈列之賬面值涉及以下類別之金融資產及金融負債：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale financial assets	可供出售金融資產		
– Unlisted private equity fund	– 非上市私人股票基金	–	–
– Unlisted equity investments	– 非上市股本投資	–	–
Loans and receivables	借款及應收款項		
– Trade receivables	– 應收貿易賬款	13,507	14,016
– Other receivables and deposits	– 其他應收款項及按金	9,076	7,376
– Cash and bank balances	– 現金及銀行存款	25,675	24,507
		48,258	45,899
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– Trade payables	– 應付貿易賬款	1,140	566
– Other payables and accrued charges	– 其他應付款項及預提費用	15,091	14,771
– Amounts due to directors	– 應付董事款項	20,538	15,046
		36,769	30,383

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37. FINANCIAL RISK MANAGEMENT

(Continued)

37.2 Foreign currency risk (Continued)

The following table illustrates the sensitivity of the Group's loss after income tax for the year and equity in regard to an appreciation in the Group entities' functional currencies against RMB and JPY. These sensitivity rates represent management's best assessment of the possible change in foreign exchange rates.

		Sensitivity rate 敏感度比例 %	Increase in loss 虧損增加 HK\$'000 千港元	Decrease in equity 權益減少 HK\$'000 千港元
2017	二零一七年			
RMB	人民幣	3%	(4)	(4)
JPY	日圓	5%	-	-
2016	二零一六年			
RMB	人民幣	3%	(4)	(4)
JPY	日圓	5%	(14)	(14)

The same % depreciation in the Group entities' functional currencies against the respective foreign currencies would have the same magnitude on the Group's loss for the year and equity but of opposite effect.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

37. 財務風險管理(續)

37.2 外匯風險(續)

下表說明年內本集團扣除所得稅後虧損及權益對本集團相關實體功能貨幣兌人民幣及日圓升值之敏感度。該等敏感度匯率為管理層對匯率可能變動之最佳估計。

本集團相關實體功能貨幣兌相應外匯相同比例的貶值，對本集團年內虧損及權益會有相同程度相反的影響。

年內之外匯風險取決於海外交易量。然而，上述分析被認為可反映本集團所承受之外幣風險。

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37. FINANCIAL RISK MANAGEMENT

(Continued)

37.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's interest rate risk arises primarily from bank balances and amount due from an investee company.

The exposure to interest rates for the Group's bank balances is considered immaterial and the Group's amount due from an investee company is interest bearing at fixed rate.

37.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from trade and other receivables and bank balances.

The Group's maximum exposure to credit risk on recognised financial assets is limited to the carrying amount at the end of the reporting period as summarised in note 37.1.

Management has a credit policy in place for approving the credit limits and the exposures to credit risk are monitored such that any outstanding debtors are reviewed and followed up on an ongoing basis. The Group's policy is to deal only with creditworthy counterparties. The Group has certain concentration of credit risk in respect of trade receivables as 57% (2016: 20%) of the total trade receivables was due from a customer.

37. 財務風險管理(續)

37.3 利率風險

利率風險指金融工具之公允價值或現金流量因市場利率轉變而出現波動之風險。本集團的利率風險主要來自銀行存款及應收投資公司款項。

本集團銀行存款所承受之利率風險並不重大且本集團應收投資公司款項按固定利率計息。

37.4 信貸風險

信貸風險指金融工具之交易，在對方無法履行其於金融工具條款下之責任，並導致本集團財務損失之風險。本集團所承受的信貸風險主要來自應收貿易賬款及其他應收款項及銀行存款。

本集團就已確認金融資產而承受之最高信貸風險以呈報期末之賬面值為限，概述於附註37.1。

管理層設有信貸政策以審批信貸限額，持續審核及跟進任何有未償還債項的債務人以監控所承受的信貸風險。本集團政策為僅與信譽卓著的對手方交易。本集團應收貿易賬款存在集中信貸風險，因應收貿易賬款總額的57%（二零一六年：20%）屬於一家客戶。

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37. FINANCIAL RISK MANAGEMENT

(Continued)

37.4 Credit risk (Continued)

The credit risk for bank balances is considered negligible as the counterparties are reputable banks with high quality external credit ratings. In respect of credit risk associated with trade and other receivables, the management closely monitors all outstanding debts and reviews the collectability of the receivables periodically. Customers of IT Products and Services with balances that are more than 90 days overdue are required to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

37.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets to meet its liquidity requirements in the short and longer term.

As at 31 December 2017 and 2016, the Group's remaining contractual maturities for its financial liabilities will be either on demand or within one year. The carrying amounts of its financial liabilities approximate their contractual undiscounted cash flow.

37. 財務風險管理(續)

37.4 信貸風險(續)

由於交易對方乃外來信貸評級優秀之具信譽之銀行，故銀行存款之信貸風險被視為微不足道。就與應收貿易賬款及其他應收款項相關之信貸風險而言，管理層緊密監察所有未償還債項，及定期審閱應收款項之可收回情況。結餘逾期超過九十日之資訊科技產品及服務客戶應在償還全部未償還結餘後方可再獲授進一步信貸。本集團一般並無自客戶取得任何抵押品。

37.5 流動性風險

流動性風險涉及本集團未能透過交付現金或其他金融資產方式履行與其金融負債相關責任之風險。本集團就清付應付貿易賬款及其他應付款項以及其現金流量管理而承受流動性風險。本集團之目標在於維持流動資產於適當水平，以滿足其短期及長期流動資金需求。

於二零一七年及二零一六年十二月三十一日，本集團金融負債的合約餘下到期期限將為按要求或一年內。本集團金融負債的賬面值與其合約未貼現的現金流量相若。

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38. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return for shareholders by pricing goods and services commensurately with the level of risks.

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. In order to adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares and raises new debt financing.

39. EVENT AFTER THE REPORTING DATE

On 20 December 2017, the Company announced a proposed rights issue ("Rights issue") of 594,230,000 rights shares at HK\$0.1 per rights share on the basis of one rights share for every two existing shares held. Further details of the Rights Issue were set out in the announcements of the Company dated 20 December 2017, 18 January 2018, 12 February 2018 and 28 February 2018.

38. 資本管理

本集團之資本管理目標為透過因應風險程度調整貨品及服務定價確保本集團有能力持續經營業務，向股東提供充分回報。

本集團積極地定期對資本架構進行檢討及管理，並因應經濟環境之變化作出調整。為調整資本架構，本集團或會調整派付予股東的股息金額、發行新股份及進行新債務融資。

39. 報告期末後事項

於二零一七年十二月二十日，本公司宣佈，建議按每持有兩股現有股份獲發一股供股股份之基準以供股方式按每股供股股份0.1港元發行594,230,000股供股股份（「供股」）。有關供股的進一步詳情載於本公司日期為二零一七年十二月二十日、二零一八年一月十八日、二零一八年二月十二日及二零一八年二月二十八日的公告。



Yu Tak International Holdings Limited
御德國際控股有限公司